

## **PIMCO Canada Corp.**

### **Simplified Prospectus dated June 25, 2021**

PIMCO Canadian Total Return Bond Fund (*offers Series A, Series F, Series I, Series M and Series O units*)

PIMCO Monthly Income Fund (Canada) (*offers Series A, Series A(US\$), Series F, Series F(US\$), Series H, Series I, Series I(US\$), Series M, Series M(US\$), Series N, Series O, Series O(US\$), ETF Series and ETF(US\$) Series units*)

PIMCO Flexible Global Bond Fund (Canada) (*offers Series A, Series F and Series I units*)

PIMCO Unconstrained Bond Fund (Canada) (*offers Series A, Series A(US\$), Series F, Series F(US\$), Series I, Series I(US\$), Series M, Series M(US\$) and Series O units*)

PIMCO Investment Grade Credit Fund (Canada) (*offers Series A, Series A(US\$), Series F, Series F(US\$), Series I, Series I(US\$), Series M, Series M(US\$), Series O, Series O(US\$) and ETF Series units*)

PIMCO Global Short Maturity Fund (Canada) (*offers Series A, Series A(US\$), Series F, Series F(US\$), Series I and ETF Series units*)

PIMCO Low Duration Monthly Income Fund (Canada) (*offers Series A, Series A(US\$), Series F, Series F(US\$), Series I, Series I(US\$), Series M, Series M(US\$), Series O, Series O(US\$) and ETF Series units*)

PIMCO Managed Conservative Bond Pool (*offers Series A, Series A(US\$), Series F, Series F(US\$) and ETF Series units*)

PIMCO Managed Core Bond Pool (*offers Series A, Series A(US\$), Series F, Series F(US\$) and ETF Series units*)

No securities regulatory authority has expressed an opinion about these units. It is an offence to claim otherwise.

The Funds and the units they offer under this simplified prospectus are not registered with the U.S. Securities and Exchange Commission. Units of the Funds may be offered and sold in the United States only in reliance on exemptions from registration.

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## Introduction

This simplified prospectus describes each of PIMCO Canadian Total Return Bond Fund, PIMCO Monthly Income Fund (Canada), PIMCO Flexible Global Bond Fund (Canada), PIMCO Unconstrained Bond Fund (Canada), PIMCO Investment Grade Credit Fund (Canada), PIMCO Global Short Maturity Fund (Canada), PIMCO Low Duration Monthly Income Fund (Canada), PIMCO Managed Conservative Bond Pool and PIMCO Managed Core Bond Pool (individually, a “Fund”, and collectively, the “Funds”) offered by PIMCO Canada Corp. (“PIMCO Canada” or the “Manager”). The Funds provide access to the professional investment advisory services of the PIMCO group. PIMCO Canada, as the adviser to the Funds, has retained Pacific Investment Management Company LLC (“PIMCO”) as the sub-adviser to the Funds. In this document, *we*, *us*, and *our* refer to PIMCO Canada (and where the context requires, PIMCO) and *you* refers to the registered or beneficial owner of a unit of a Fund.

PIMCO Canada also offers other mutual funds in different simplified prospectuses. Those other mutual funds and the Funds are together referred to as the “PIMCO Canada Funds” and individually as a “PIMCO Canada Fund”.

This simplified prospectus contains selected important information to help you make an informed investment decision about the Funds and to understand your rights as an investor.

It’s divided into two parts. The first part, from pages 2 to 42, contains specific information about each of the Funds offered for sale under this simplified prospectus. The second part, pages 51 to 42, contains general information that applies to all of the Funds.

No ETF Dealer (as defined below) or Designated Broker (as defined below) has been involved in the preparation of this simplified prospectus or has performed any review of the contents of this simplified prospectus and, as such, the ETF Dealers and the Designated Brokers do not perform many of the usual underwriting activities in connection with the distribution by the Funds of their Exchange Traded Series (as defined below) units under this simplified prospectus.

Additional information about each Fund is available in its annual information form, its most recently filed fund facts, its most recently filed ETF facts, as applicable, its most recently filed annual and interim financial statements and its most recently filed annual and interim management reports of fund performance. These documents are incorporated by reference into this simplified prospectus. That means they legally form part of this simplified prospectus just as if they were printed in it.

You can get a copy of the Funds’ annual information form, fund facts, ETF facts, financial statements and management reports of fund performance at no charge by calling toll-free 1-877-506-8126 (416-506-8187 in Toronto), or by asking your dealer. These documents are also available on the PIMCO Canada website at [www.pimco.ca](http://www.pimco.ca).

These documents and other information about the Funds are also available at [www.sedar.com](http://www.sedar.com).

## **Specific Information about Each of the Mutual Funds Described in this Document**

In this document, if the name of a series includes the words “(US\$)”, we refer to those series as “US\$ Series”. In this document, Series A, Series F, Series H, Series I, Series M, Series N, Series O, Series A(US\$), Series F(US\$), Series I(US\$), Series M(US\$) and Series O(US\$) are collectively referred to as the “Mutual Fund Series” and ETF Series and ETF(US\$) Series are collectively referred to as the “Exchange Traded Series”.

The series have different management fees and are intended for different investors. Series A, Series A(US\$), Series F, Series F(US\$), Series H, Series I, Series I(US\$), Series M, Series M(US\$), Series N, Series O and Series O(US\$) units may be purchased from dealers qualified in your province or territory. Series A units and Series A(US\$) units are available to all investors. Series F units and Series F(US\$) units are for investors who are participants in a fee-for-service or wrap account program sponsored by certain registered dealers or investors investing through their discount brokerage accounts. Series F units and Series F(US\$) units can be purchased only through your registered representative who has obtained the consent of PIMCO Canada to offer Series F units and/or Series F(US\$) units or through discount brokerage accounts and other qualified investors as determined by PIMCO Canada. Series I units and Series I(US\$) units are available only to eligible institutional investors and other qualified investors as determined by PIMCO Canada and who will invest a minimum of \$10 million into a single fund. Series H units are only available to eligible institutional investors and other qualified investors as determined by PIMCO Canada and investors in model portfolios with dealers who have an agreement with us. Series M units and Series M(US\$) units can be purchased only through your registered representative who has obtained the consent of PIMCO Canada to offer Series M units and/or Series M(US\$) units or through discount brokerage accounts. In addition, Series M units and Series M(US\$) units are only available to investors who invest \$100,000 or more in a single Fund and who are participants in a fee-for-service or wrap account program sponsored by certain registered dealers or investors investing through their discount brokerage accounts. Series N units can be purchased only through your registered representative who has obtained the consent of PIMCO Canada to offer Series N units (or Series F or Series M units) or through discount brokerage accounts. In addition, Series N units are only available to investors who invest \$10,000,000 or more in a single Fund and who are participants in a fee-for-service or wrap account program sponsored by certain registered dealers or investors investing through their discount brokerage accounts. Series O units and Series O(US\$) units are available only to investors who invest \$100,000 or more in a single Fund. Exchange Traded Series units are available to investors that purchase such units on the Toronto Stock Exchange (“TSX”) or another exchange or marketplace through Designated Brokers and ETF Dealers. You’ll find more information about the different series of units under *Purchases, switches and redemptions – Series of units*.

It is possible to lose money on investments in the Funds.

### **Percentage Investment Limitations**

In this simplified prospectus, unless otherwise stated, all percentage limitations on Fund investments listed in this simplified prospectus will apply at the time of investment. A Fund would

not violate these limitations unless an excess or deficiency occurs or exists immediately after and as a result of an investment.

## **About the Fund descriptions**

On the following pages, you'll find detailed descriptions of each of the Funds to help you make your investment decisions. Here's what each section of the Fund descriptions tells you:

### ***Fund details***

This section gives you some basic information about each Fund, such as its start date and whether units are qualified investments for registered plans, including Registered Retirement Savings Plans ("RRSPs"), Registered Retirement Income Funds ("RRIFs"), Registered Education Savings Plans ("RESPs"), Registered Disability Savings Plan ("RDSPs") and Tax-Free Savings Accounts ("TFSA").

Units of the Funds offered under this simplified prospectus are qualified investments under the *Income Tax Act* (Canada) and the regulations thereunder ("Tax Act") for registered plans.

### ***What does the Fund invest in?***

This section tells you the Fund's fundamental investment objectives and the strategies it uses in trying to achieve those objectives. Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

### ***Derivatives***

A Fund can use derivatives as long as the use of derivatives is consistent with the Fund's investment objectives and is permitted by securities rules or any exemption it has received. A derivative is an investment whose value is based on or derived from an underlying asset, such as a stock, a market index, a currency, a commodity or a basket of securities. It's not a direct investment in the underlying asset itself. Examples of derivatives are forward contracts (including buy/sellbacks), swaps, options and futures contracts.

A Fund may use specified derivatives, such as options, futures contracts, forwards and swaps, as permitted by Canadian securities laws to, among other things:

- hedge against declines in security prices, financial markets, exchange rates and interest rates;
- gain exposure to securities, financial markets and foreign currencies; and
- replace a direct investment that is used as a hedge with an indirect investment in order to make the cash invested in the hedge available for other purposes.

When a Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities rules.

For the purposes of this simplified prospectus, “Fixed Income Securities” means any bonds, debentures, notes or other evidences of indebtedness that are liquid and have a remaining term to maturity of 365 days or less and a “designated credit rating”, as defined in National Instrument 81-102 *Investment Funds* (“NI 81-102”), and “FRNs” means floating rate evidences of indebtedness that are a “conventional floating rate debt instrument” as defined in NI 81-102 with principal amounts having a market value of approximately par at the time of each change in the rate to be paid and the interest rates are reset no later than every 185 days.

The Funds have obtained an exemption from NI 81-102 to permit the Funds to engage in the following derivatives transactions on certain conditions including:

1. To use as cover when the Fund has a long position in a debt-like security that has a component that is a long position in a forward contract, or in a standardized future or forward contract:
  - (a) cash cover, Fixed Income Securities and FRNs (collectively, “Cover”) in an amount that, together with margin on account for the specified derivative and the market value of the specified derivative, is not less than, on a daily mark-to-market basis, the underlying market exposure of the specified derivative,
  - (b) a right or obligation to sell an equivalent quantity of the underlying interest of the future or forward contract, and Cover that together with margin on account for the position, is not less than the amount, if any, by which the strike price of the future or forward contract exceeds the strike price of the right or obligation to sell the underlying interest, or
  - (c) a combination of the positions referred to in paragraphs (a) and (b) immediately above that is sufficient, without recourse to other assets of the Fund, to enable the Fund to acquire the underlying interest of the future or forward contract,
2. To use as cover, when the Fund has a right to receive payments under a swap:
  - (a) Cover, in an amount that, together, with margin on account for the swap and the market value of the swap, is not less than, on a daily mark-to-market basis, the underlying market exposure of the swap,
  - (b) a right or obligation to enter into a swap on an equivalent quantity and with an equivalent term and Cover that, together with margin on account for the position, is not less than the aggregate amount, if any, of the obligations of the Fund under the swap less the obligations of the Fund under such offsetting swap, or
  - (c) a combination of the positions referred to in paragraphs (a) and (b) immediately above that is sufficient, without recourse to other assets of the Fund, to enable the Fund to satisfy its obligations under the swap.

The exemption is subject to the condition that the Fund will not (i) purchase a debt-like security that has an option component or an option, or (ii) purchase or write an option to cover any positions under section 2.8(1)(b), (c), (d), (e) and (f) of NI 81-102, if immediately after the purchase or

writing of such option, more than 10% of the net assets of the Fund, taken at market value at the time of the transaction, would be in the form of (A) purchased debt-like securities that have an option component or purchased options, in each case, held by the Fund for purposes other than hedging, or (B) options used to cover any positions under section 2.8(1)(b), (c), (d), (e) and (f) of NI 81-102.

#### *Underlying ETFs*

A mutual fund may, subject to compliance with applicable securities laws, invest in exchange-traded mutual funds (“ETFs”). The Funds have also obtained an exemption from the Canadian securities regulators to permit each Fund to purchase and hold securities of ETFs that seek to provide daily results that replicate (i) the daily performance of gold, silver or a specified widely-quoted market index by a multiple of 200% (ii) the daily performance of a specified widely-quoted market index by an inverse multiple of 100% or 200%. The exemption is subject to certain conditions.

#### *Fannie and Freddie Securities*

The Funds have obtained an exemption from the Canadian securities regulators to permit each Fund to invest more than 10% of its net assets in debt obligations, including mortgage-backed securities, issued or guaranteed by each of the Federal National Mortgage Association (“Fannie Mae”) and the Federal Home Loan Mortgage Corporation (“Freddie Mac”) (“Fannie and Freddie Securities”), subject to certain conditions. The exemption does not impose a limit on the amount that the Fund may invest in either Fannie Mae or Freddie Mac; accordingly, all or substantially all of a Fund’s net assets could be invested in Fannie and Freddie Securities at any time.

#### *Inter-fund trades and in specie transfers*

The Funds have obtained relief from applicable securities laws to permit inter-fund trades in debt securities between the PIMCO Canada Funds, closed-end funds and pooled funds managed by the Manager, as well as investment funds domiciled in the United States that are managed by PIMCO, so long as those trades comply with certain conditions, including approval from the PIMCO Canada Funds’ independent review committee (“IRC”).

The Funds have also obtained relief from applicable securities laws to permit inter-fund trades and *in specie* transfers between the PIMCO Canada Funds, closed-end funds, pooled funds and managed accounts managed by the Manager. Such trades are subject to certain conditions, including pricing requirements and IRC approval.

#### *Securities lending, repurchase agreements and reverse repurchase agreements*

Through a securities lending agreement, a Fund lends securities through an authorized agent in exchange for a fee and a form of acceptable collateral. Through a repurchase agreement, a Fund sells a security at one price and concurrently agrees to buy it back from the buyer at a fixed price on a specified date.

Through a reverse repurchase agreement, a Fund buys securities for cash from a counterparty at a price set at the date of purchase and at the same time agrees to resell the same securities for cash

to the counterparty at a price (usually higher) at a later date. In each case, the purpose of a securities lending arrangement, repurchase agreement or reverse repurchase agreement is for the Fund to earn additional revenues. A Fund may enter into securities lending and repurchase agreements if no more than 50% of its net assets are at risk under the securities lending and repurchase transactions, unless the Fund is permitted by law to invest in a greater amount.

Funds engaging in securities lending, repurchase and reverse repurchase transactions are exposed to the risk that the other party to the transaction may become insolvent and unable to complete the transaction. In those circumstances, there is a risk that the value of the securities bought may drop or the value of the securities sold may rise between the time the other party becomes insolvent and the time the Fund recovers its investment. Funds that engage in these transactions reduce this risk by holding, as collateral, enough of the other party's cash or securities to cover that party's securities lending, repurchase or reverse repurchase obligations. To limit the risks associated with securities lending, repurchase and reverse repurchase transactions, the collateral held in respect of the securities lending, repurchase or reverse repurchase obligations must be marked to market on each business day and be fully collateralized at all times with acceptable collateral which has a value at least equal to 102% of the securities sold or cash paid for the securities by the Fund. A use of repurchase transactions by a Fund may increase volatility.

#### *Investing in other mutual funds*

A Fund may invest in securities of another mutual fund, including ETFs and other Funds managed by PIMCO Canada, if, among other things, the investment objective of the other mutual fund is consistent with the Fund's investment objective, no management fees or portfolio management fees are payable by the Fund that would duplicate a fee payable by the other mutual fund, the securities of the other mutual fund are qualified for distribution in the same jurisdiction as the Fund and such purchase complies with applicable securities rules and is not otherwise prohibited by the securities rules.

#### *Short selling*

A Fund may engage in a limited amount of short selling transactions as permitted by applicable securities legislation. A short sale involves borrowing securities from a lender which are then sold in the open market (or "sold short"). At a later date, the same number of securities are repurchased by the Fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender (or its agent) and interest is paid to the lender. If the value of the securities declines between the time that the securities are borrowed and the time it repurchases and returns the securities, a profit will be made equal to the difference (less any interest cost). In this way, there are more opportunities for gains when markets are generally volatile or declining.

The Funds adhere to controls and restrictions as set out in NI 81-102, including:

- any security sold short will be sold for cash;
- the aggregate market value of all securities of an issuer of the securities sold short by a Fund will not exceed 5% of the net asset value of the Fund;



- the aggregate market value of all securities sold short by a Fund will not exceed 20% of the net asset value of the Fund;
- the Fund will hold cash cover in an amount that, together with the portfolio assets deposited with the lender as security in connection with short sales of securities by the Fund, will be at least 150% of the aggregate market value of all securities sold short by the Fund on a daily mark-to-market basis;
- cash received in respect of a short sale will not be used to enter into a long position in any security, other than a security that would otherwise qualify as cash cover; and
- the security sold short will not:
  - (i) be a security that a Fund is otherwise not permitted by securities legislation to purchase at the time of the short sale transaction;
  - (ii) be an illiquid asset; and
  - (iii) be a security of an investment fund other than an index participation unit.

The Funds may also utilize other risk reduction strategies like automatic buy cover orders as part of their use of short selling.

#### *Corporate debt securities*

The Funds may invest in corporate debt securities.

#### *Fixed Income Instruments*

“Fixed Income Instruments”, as used generally in this simplified prospectus, include:

- securities issued or guaranteed by governments or their subdivisions, agencies or government-sponsored enterprises;
- obligations of international agencies or supranational entities;
- corporate debt securities of issuers, including convertible securities and corporate commercial paper;
- mortgage-backed and other asset-backed securities;
- inflation-indexed bonds issued both by governments and corporations;
- structured notes, including hybrid or “indexed” securities and event-linked bonds;
- loan participations and assignments;
- delayed funding loans and revolving credit facilities;

- bank certificates of deposit, fixed time deposits and bankers' acceptances; and
- repurchase agreements on Fixed Income Instruments and reverse repurchase agreements on Fixed Income Instruments.

The Funds may invest in derivatives based on Fixed Income Instruments.

### *Duration*

Duration is used to determine the sensitivity of a security's price to changes in interest rates. The longer a security's duration, the more sensitive it will be to changes in interest rates. Similarly, a Fund with a longer average portfolio duration will be more sensitive to changes in interest rates than a Fund with a shorter average portfolio duration. By way of example, the price of a bond fund with an average duration of five years would be expected to fall approximately 5% if interest rates rose by one percentage point. Conversely, the price of a bond fund with an average duration of negative three years would be expected to rise approximately 3% if interest rates rose by one percentage point.

### *Credit ratings and unrated securities*

In this simplified prospectus, references are made to credit ratings of debt securities, which measure an issuer's expected ability to pay principal and interest over time. Credit ratings are determined by rating agencies, such as Moody's Investors Services, Inc. ("Moody's"), Standard & Poor's Ratings Services ("S&P"), Fitch Ratings, Inc. ("Fitch") or DBRS Limited ("DBRS"). The following terms are generally used to describe the credit quality of debt securities depending on the security's credit rating or, if unrated, credit quality as determined by PIMCO:

- high quality;
- investment grade; and
- below investment grade ("high yield securities" or "junk bonds").

A Fund may purchase a security, regardless of any rating modification, provided the security is rated at or above the Fund's minimum rating category at the time of purchase. For example, a Fund may purchase a security rated B.

Rating agencies are private services that provide ratings of the credit quality of fixed income securities, including convertible securities. Ratings assigned by a rating agency are not absolute standards of credit quality and do not evaluate market risks. Rating agencies may fail to make timely changes in credit ratings and an issuer's current financial condition may be better or worse than a rating indicates. A Fund is not required to sell a security in the event such security is downgraded below the Fund's minimum investment quality, provided that such security met the Fund's minimum quality standard at the time of purchase. We do not rely solely on credit ratings, and we develop our own analysis of issuer credit quality.

A Fund may purchase unrated securities (which are not rated by a rating agency) if its portfolio manager determines that the security is of comparable quality to a rated security that the Fund may

purchase. Unrated securities may be less liquid than comparable rated securities and involve the risk that the portfolio manager may not accurately evaluate the security's comparative credit rating. Analysis of the creditworthiness of issuers of high yield securities may be more complex than for issuers of higher-quality fixed income securities. To the extent that a Fund invests in high yield and/or unrated securities, the Fund's success in achieving its investment objective may depend more heavily on the portfolio manager's creditworthiness analysis than if the Fund invested exclusively in higher-quality and rated securities.

#### *Event-linked exposure*

Each Fund may obtain event-linked exposure by investing in "event-linked bonds" or "event-linked swaps" or implement "event-linked strategies." Event-linked exposure results in gains or losses that typically are contingent, or formulaically related to defined trigger events. Examples of trigger events include hurricanes, earthquakes, weather-related phenomena, or statistics relating to such events. Some event-linked bonds are commonly referred to as "catastrophe bonds." If a trigger event occurs, a Fund may lose a portion of its entire principal invested in the bond or notional amount on a swap. Event-linked exposure often provides for an extension of maturity to process and audit loss claims where a trigger event has, or possibly has, occurred. An extension of maturity may increase volatility. Event-linked exposure may also expose a Fund to certain unanticipated risks including credit risk, counterparty risk, adverse regulatory or jurisdictional interpretations, and adverse tax consequences. Event-linked exposures may also be subject to liquidity risk.

#### *Exchange-traded notes*

Exchange-traded notes ("ETNs") are senior, unsecured, unsubordinated debt securities whose returns are linked to the performance of a particular market benchmark or strategy minus applicable fees. ETNs are a form of derivative known as "debt-like securities" for the purposes of Canadian regulatory rules. ETNs are traded on an exchange (e.g., the NYSE) during normal trading hours. However, investors can also hold the ETN until maturity. At maturity, the issuer pays to the investor a cash amount equal to the principal amount, subject to the day's market benchmark or strategy factor.

ETNs do not make periodic coupon payments or provide principal protection. ETNs are subject to credit risk and the value of the ETN may drop due to a downgrade in the issuer's credit rating, despite the underlying market benchmark or strategy remaining unchanged. The value of an ETN may also be influenced by time to maturity, level of supply and demand for the ETN, volatility and lack of liquidity in underlying assets, changes in the applicable interest rates, changes in the issuer's credit rating, and economic, legal, political, or geographic events that affect the referenced underlying asset. When a Fund invests in ETNs, it will bear its proportionate share of any fees and expenses borne by the ETN. A Fund's decision to sell its ETN holdings may be limited by the availability of a secondary market. ETNs are also subject to tax risk.

#### *Inflation-indexed bonds*

Inflation-indexed bonds (other than certain corporate inflation-indexed bonds, which are more fully described below) are fixed income securities whose principal value is periodically adjusted

according to the rate of inflation. If the index measuring inflation falls, the principal value of inflation-indexed bonds (other than certain corporate inflation-indexed bonds) will be adjusted downward, and consequently the interest payable on these securities (calculated with respect to a smaller principal amount) will be reduced. Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed in the case of certain sovereign debt inflation-indexed bonds. For bonds that do not provide a similar guarantee, the adjusted principal value of the bond repaid at maturity may be less than the original principal.

With regard to certain corporate inflation-indexed bonds, the inflation adjustment is reflected in the semi-annual coupon payment. As a result, the principal value of such corporate inflation-indexed bonds does not adjust according to the rate of inflation.

The value of inflation-indexed bonds is expected to change in response to changes in real interest rates. Real interest rates are tied to the relationship between nominal interest rates and the rate of inflation. If nominal interest rates increase at a faster rate than inflation, real interest rates may rise, leading to a decrease in value of inflation-indexed bonds. Any increase in the principal amount of an inflation-indexed bond will be considered taxable ordinary income, even though investors do not receive their principal until maturity.

#### *Lack of availability*

Because the markets for certain derivative instruments (including markets located in foreign countries) are relatively new and still developing, suitable derivatives transactions may not be available in all circumstances for risk management or other purposes. Upon the expiration of a particular contract, a portfolio manager may wish to retain a Fund's position in the derivative instrument by entering into a similar contract, but may be unable to do so if the counterparty to the original contract is unwilling to enter into the new contract and no other suitable counterparty can be found. There is no assurance that a Fund will engage in derivatives transactions at any time or from time to time. A Fund's ability to use derivatives may also be limited by certain regulatory and tax considerations.

#### *Loan participation and assignments*

A Fund may invest in fixed- and floating-rate loans, which investments generally will be in the form of loan participations and assignments of portions of such loans. Participations and assignments involve special types of risk, including credit risk, interest rate risk, liquidity risk, and the risks of being a lender. If a Fund purchases a participation, it may only be able to enforce its rights through the lender, and may assume the credit risk of the lender in addition to the borrower.

#### *Portfolio turnover*

The length of time a Fund has held a particular security is not generally a consideration in investment decisions. A change in the securities held by a Fund is known as "portfolio turnover." Each Fund may engage in frequent and active trading of portfolio securities to achieve its investment objective, particularly during periods of volatile market movements. High portfolio turnover (e.g., over 100%) involves correspondingly greater expenses to a Fund, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of securities and

reinvestments in other securities. The trading costs associated with portfolio turnover may adversely affect a Fund's performance.

### *Securities selection*

Certain of the Funds in this simplified prospectus seek maximum total return. The total return sought by a Fund consists of both income earned on a Fund's investments and capital appreciation, if any, arising from increases in the market value of a Fund's holdings. Capital appreciation of fixed income securities generally results from decreases in market interest rates, foreign currency appreciation, or improving credit fundamentals for a particular market sector or security.

In selecting securities for a Fund, we develop an outlook for interest rates, currency exchange rates and the economy; analyze credit and call risks, and use other security selection techniques. The proportion of a Fund's assets committed to investment in securities with particular characteristics (such as quality, sector, interest rate or maturity) varies based on our outlook for the Canadian economy and the economies of other countries in the world, the financial markets and other factors.

We attempt to identify areas of the bond market that are undervalued relative to the rest of the market. We identify these areas by grouping bonds into sectors such as: money markets, governments, corporates, mortgages, asset-backed and international. Sophisticated proprietary software then assists in evaluating sectors and pricing specific securities. Once investment opportunities are identified, we will shift assets among sectors depending upon changes in relative valuations and credit spreads. There is no guarantee that PIMCO Canada's security selection techniques will produce the desired results.

### *Variable and floating rate securities*

Variable and floating rate securities provide for a periodic adjustment in the interest rate paid on the obligations. Each Fund may invest in floating rate debt instruments ("floaters") and engage in credit spread trades. Variable and floating rate securities generally are less sensitive to interest rate changes but may decline in value if their interest rates do not rise as much, or as quickly, as interest rates in general. Conversely, floating rate securities will not generally increase in value if interest rates decline. Each Fund may also invest in inverse floating rate debt instruments ("inverse floaters"). An inverse floater may exhibit greater price volatility than a fixed rate obligation of similar credit quality. Each Fund may invest up to 10% of its total assets in any combination of mortgage-related or other asset-backed interest only, principal only or inverse floater securities. Additionally, each Fund may also invest, without limitation, in residual interest bonds.

### *When-issued, delayed delivery and forward commitment transactions*

A Fund may purchase securities that it is eligible to purchase on a when-issued basis, may purchase and sell such securities for delayed delivery and may make contracts to purchase such securities for a fixed price at a future date beyond normal settlement time (forward commitments). When-issued transactions, delayed delivery purchases and forward commitments involve a risk of loss if the value of the securities declines prior to the settlement date. This risk is in addition to the risk that the Fund's other assets will decline in value. Therefore, these transactions may result in a form of leverage and increase a Fund's overall investment exposure. Typically, no income accrues on securities a Fund has committed to purchase prior to the time delivery of the securities is made,

although a Fund may earn income on securities it has segregated or “earmarked” to cover these positions.

When a Fund has sold a security on a when-issued, delayed delivery, or forward commitment basis, the Fund does not participate in future gains or losses with respect to a security. If the other party to a transaction fails to pay for the securities, a Fund could realize a loss. Additionally, when selling a security on a when-issued, delayed delivery or forward commitment basis without owning the security, a Fund will incur a loss if the security’s price appreciates in value such that the security’s price is above the agreed upon price on the settlement date.

### ***What are the risks of investing in a Fund?***

This section tells you the principal risks of investing in a Fund. You’ll find a description of each risk in *Specific risks of mutual funds*.

### ***Investment Risk Classification Methodology***

The methodology used by PIMCO Canada to determine the risk rating of the Funds is the methodology required by the Canadian securities regulators. The investment risk level of the Funds is required to be determined in accordance with a standardized risk classification methodology that is based on the Fund’s historical volatility as measured by the 10-year standard deviation of the returns of the Fund. However, other types of risk, both measurable and non-measurable, may exist. It is also important to note that a Fund’s historical volatility may not be indicative of its future volatility.

This section will help you decide whether a Fund is right for you. This information is only a guide. When you are choosing investments, you should consider your whole portfolio, your investment objectives and your risk tolerance level.

Using this methodology, a Fund is assigned an investment risk level based on the Fund’s historical 10-year standard deviation in one of the following categories:

- Low
- Low to Medium
- Medium
- Medium to High
- High

For the Funds that do not have at least 10 years of performance history, the standard deviation of a Fund will be calculated using the return history of the Fund and, for the remainder of the 10-year period, the return history of a reference index that reasonably approximates the standard deviation of the Fund. The performance history of these Funds is calculated using the following reference indices, as applicable:

<b>Fund</b>	<b>Reference Indices</b>
PIMCO Unconstrained Bond Fund (Canada)	For the Fund (other than the US\$ Series): Bloomberg Barclays Global Aggregate Index (CAD Hedged)

<b>Fund</b>	<b>Reference Indices</b>
	For the US\$ Series: Bloomberg Barclays Global Aggregate Index (USD Hedged)
PIMCO Investment Grade Credit Fund (Canada)	For the Fund (other than the US\$ Series): Bloomberg Barclays US Credit Index (CAD Hedged) For the US\$ Series: Bloomberg Barclays US Credit Index
PIMCO Global Short Maturity Fund (Canada)	For the Fund (other than the US\$ Series): FTSE Canada 91-Day T-Bill Index For the US\$ Series: FTSE 3-Month T-Bill Index
PIMCO Low Duration Monthly Income Fund (Canada)	For the Fund (other than the US\$ Series): Bloomberg Barclays US Aggregate 1-3 Year Bond Index (CAD Hedged) For the US\$ Series: Bloomberg Barclays US Aggregate 1-3 Year Bond Index
PIMCO Managed Conservative Bond Pool	For the Fund (other than the US\$ Series): Bloomberg Barclays Global Aggregate 1-3 Year Bond Index (CAD Hedged) For the US\$ Series: Bloomberg Barclays Global Aggregate 1-3 Year Bond Index (USD Hedged)
PIMCO Managed Core Bond Pool	For the Fund (other than the US\$ Series): Bloomberg Barclays Global Aggregate Bond Index (CAD Hedged) For the US\$ Series: Barclays Global Aggregate Bond Index (USD Hedged)

## **Benchmark Definitions**

Each of the **Bloomberg Barclays Global Aggregate Bond Index (CAD Hedged)** and **Bloomberg Barclays Global Aggregate Bond Index (USD Hedged)** is a flagship measure of global investment grade debt. This benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Each of the **Bloomberg Barclays Global Aggregate 1-3 Year Bond Index (CAD Hedged)** and **Bloomberg Barclays Global Aggregate 1-3 Year Bond Index (USD Hedged)** is a measure of investment grade debt with maturity of 1-3 years. This benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Each of the **Bloomberg Barclays Global Aggregate Index (USD Hedged)** and **Bloomberg Barclays Global Aggregate Index (CAD Hedged)** provide a broad-based measure of the global investment grade fixed income markets. The three major components of these indices are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. These indices also include Eurodollar and Euro-Yen corporate bonds, Canadian Government securities, and USD investment grade 144A securities.

Each of the **Bloomberg Barclays US Aggregate 1-3 Year Bond Index** and **Bloomberg Barclays US Aggregate 1-3 Year Bond Index (CAD Hedged)** measure the investment grade, US dollar-denominated fixed-rate taxable bond market with 1-3 years until final maturity.

Each of the **Bloomberg Barclays US Credit Index** and **Bloomberg Barclays US Credit Index (CAD Hedged)** measure the investment grade, US dollar denominated, fixed-rate, taxable corporate and government-related bond markets.

The **FTSE 3-Month T-Bill Index** tracks the performance of 3-month U.S. Treasury Bills.

The **FTSE Canada 91-Day T-Bill Index** tracks the performance of Government of Canada 3-month Treasury Bills.

The investment risk level of each Fund is reviewed at least annually.

Details about the standardized risk methodology that PIMCO Canada uses to identify the investment risk level of the Funds is available on request, at no cost, by calling us toll-free at 1-877-506-8126 (416-506-8187 in Toronto) or writing to us at PIMCO Canada Corp., Commerce Court West, 199 Bay Street, Suite 2050, Commerce Court Station, PO Box 363, Toronto, Ontario M5L 1G2.

This section is meant as a general guide only. For advice about your portfolio, you should consult your registered representative.

### ***Who should invest in this Fund?***

This section can help you decide if the Fund might be suitable for your portfolio. It's meant as a general guide only. For advice about your portfolio, you should consult your registered representative.

### ***Distribution policy***

This section tells you when a Fund usually distributes any earnings to investors. The Fund may change its distribution policy at any time.

Each series of a Fund is entitled to its share of the net income and net realized capital gains adjusted for the series specific expenses of the Fund. As a result, distributions of net income and net realized capital gains per unit will likely be different for each series of the Fund. To the extent that distributions made during the year exceed the net income and net realized capital gains of a Fund, such distributions will include a return of capital.

For information on how distributions can affect your taxes, see *Income Tax Considerations for Investors*.

### ***Fund expenses indirectly borne by investors***

This section helps you compare the cost of investing in the units of a Fund with the cost of investing in other similar mutual funds that are offered in the same series.



## **PIMCO Canadian Total Return Bond Fund**

### **Fund details**

<b>Fund type</b>	Canadian Fixed Income
<b>Start date</b>	Series A units: January 20, 2011 Series F units: January 20, 2011 Series I units: January 20, 2011 <sup>1</sup> Series M units: January 31, 2012 Series O units: January 20, 2011
<b>Type of securities</b>	Units of a mutual fund trust
<b>Qualified investment for registered plans?</b>	Yes
<b>Portfolio adviser</b>	PIMCO Canada
<b>Sub-adviser</b>	PIMCO

### **What does the Fund invest in?**

#### *Investment objectives*

The investment objective of the Fund is to achieve maximum total return, consistent with preservation of capital and prudent investment management. It invests primarily in a diversified portfolio of Canadian dollar Fixed Income Instruments of varying maturities.

Any change to the fundamental investment objective must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

#### *Investment strategies*

The Fund seeks to achieve its investment objective by investing under normal circumstances primarily in Canadian dollar Fixed Income Instruments of varying maturities. The Fund will primarily invest in physical securities, but may use derivatives to gain such exposure from time to time. The average portfolio duration of this Fund normally varies within two years (plus or minus two years) of the duration of the Fund's benchmark, the FTSE Canada Universe Bond Index.

While the Fund will invest primarily in investment grade debt securities, it may invest up to 10% of its total assets in high yield securities ("junk bonds") that are rated B or higher by Moody's, or equivalently rated by S&P, Fitch, DBRS or, if unrated, determined to be of comparable quality (except that within such 10% limitation, the Fund may invest in mortgage-related and asset-backed securities rated below B). The Fund may invest up to 10% of its total assets in securities and instruments that are economically tied to emerging market countries. Investments in Fixed Income Instruments denominated in foreign currencies, including derivatives on such instruments, will not constitute more than 30% of a Fund's assets based on duration weighted exposure.

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<sup>1</sup> Series I units are also offered under an offering memorandum

## PIMCO Canadian Total Return Bond Fund

The “total return” sought by the Fund consists of income earned on the Fund’s investments, plus capital appreciation, if any, which generally arises from decreases in interest rates, foreign currency appreciation, or improving credit fundamentals for a particular sector or security.

The Fund has obtained an exemption from the Canadian securities regulators to permit the Fund to use certain additional types of securities to cover certain specified derivative positions. See *Specific Information about Each of the Mutual Funds Described in this Document* for additional information concerning this exemption.

The Fund will engage in short selling as a complement to the Fund’s other investment strategies in a manner considered most appropriate to achieve the Fund’s overall investment objectives and enhancing the Fund’s returns subject to the controls and restrictions set out in Canadian securities laws.

Securities lending, repurchase transactions and reverse repurchase transactions may be used in conjunction with the Fund’s other investment strategies in a manner considered most appropriate to achieve the Fund’s investment objectives and to enhance the Fund’s returns. For a description and the limits of the Fund’s investments in these transactions and how the Fund manages the risks associated with these transactions, see the discussion under *Securities lending, repurchase agreements and reverse repurchase agreements*.

The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons. The Fund may hold other investments from time to time, including equity investments.

The Fund may have a high portfolio turnover rate. The higher the portfolio turnover rate, the greater the Fund’s trading costs, and the greater the possibility of unitholders receiving a taxable capital gain as a result of ownership of units in the Fund.

### ***What are the risks of investing in the Fund?***

In addition to the risks applicable to all Funds described under *What is a mutual fund and what are the risks of investing in a mutual fund?* – *Specific risks of mutual funds*, the additional principal risks of investing in this Fund are:

- commodity risk
- equity risk
- high yield risk
- indexing risk
- issuer risk
- liquidity risk
- real estate risk
- sanctioned countries investment risk
- underlying exchange traded funds risk

As at May 31, 2021, five investors held approximately 24.3%, 23.4%, 12.4%, 10.3% and 10.2%, respectively, of the units of the Fund.

## PIMCO Canadian Total Return Bond Fund

You will find details about each risk under *What is a mutual fund and what are the risks of investing in a mutual fund? – Specific risks of mutual funds.*

### ***Who should invest in this Fund?***

This Fund may be suitable for medium to long term investors who:

- can accept some interest rate risk to achieve moderate capital growth;
- are investing for a combination of income and growth; and
- can accept low risk.

We have assigned a risk rating of low to this Fund. Please see *Investment Risk Classification Methodology* for a description of how we determine the level of investor risk tolerance.

### ***Distribution policy***

The Fund declares and distributes quarterly any net income and annually net realized capital gains. The Fund may also make other distributions out of the net income, net realized capital gains or capital of the Fund at such times as determined by the Manager in its sole discretion.

To the extent that the Fund has not otherwise distributed a sufficient amount of its net income or net capital gains, a distribution will be paid to unitholders at the end of the year and that distribution will be automatically reinvested in additional units. Immediately following such reinvestment, the number of units outstanding will be consolidated so that the net asset value per unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid.

Distributions will always be reinvested in additional units of the Fund unless you notify us that you want to receive cash distributions.

### ***Fund expenses indirectly borne by investors***

The following chart is intended to help you compare the cost of investing in units of the Fund with the cost of investing in other mutual funds. It shows the amount of the Fund's fees and expenses which would apply to each \$1,000 investment you make, assuming that:

- the Fund's annual performance is a constant 5% per year, and
- the Fund's management expense ratio remained the same as in its last financial year for the complete 10 years. This information is derived from the Fund's audited annual financial statements for the period from January 1, 2020 to December 31, 2020.

	<b>For 1 Year</b>	<b>For 3 Years</b>	<b>For 5 Years</b>	<b>For 10 Years</b>
Series A	\$12.10	\$38.13	\$66.83	\$152.13
Series F	\$6.25	\$19.71	\$34.55	\$78.64
Series I	\$0.51	\$1.62	\$2.83	\$6.45
Series O	\$11.58	\$36.51	\$64.00	\$145.68

## PIMCO Canadian Total Return Bond Fund

	<b>For 1 Year</b>	<b>For 3 Years</b>	<b>For 5 Years</b>	<b>For 10 Years</b>
Series M	\$5.84	\$18.42	\$32.28	\$73.49

Because the 5% growth rate is only an assumption, as is the management expense ratio, your actual costs may be lower or higher. For more information about expenses, see the section *Fees and expenses*.

## PIMCO Monthly Income Fund (Canada)

### Fund details

<b>Fund type</b>	Global Fixed Income
<b>Start date</b>	Series A units: January 20, 2011 Series A(US\$) units: July 31, 2013 Series F units: January 20, 2011 Series F(US\$) units: July 31, 2013 Series H units: January 4, 2016 Series I units: January 20, 2011 <sup>2</sup> Series I(US\$) units: July 31, 2013 <sup>2</sup> Series M units: January 31, 2012 Series M(US\$) units: July 31, 2013 Series N units: September 18, 2020 Series O units: January 20, 2011 Series O(US\$) units: July 31, 2013 ETF Series units: September 29, 2017 ETF(US\$) Series units: September 28, 2018
<b>Type of securities</b>	Units of a mutual fund trust
<b>Qualified investment for registered plans?</b>	Yes
<b>Portfolio adviser</b>	PIMCO Canada
<b>Sub-adviser</b>	PIMCO

### What does the Fund invest in?

#### *Investment objectives*

The investment objective of the Fund is to maximize current income consistent with preservation of capital and prudent investment management. Long-term capital appreciation is a secondary objective. It invests primarily in a diversified portfolio of non-Canadian dollar Fixed Income Instruments of varying maturities.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

#### *Investment strategies*

The Fund seeks to achieve its investment objective by investing under normal circumstances primarily in non-Canadian dollar Fixed Income Instruments of varying maturities. The Fund will primarily invest in physical securities, but may use derivatives to gain such exposure from time to time. The average portfolio duration of this Fund normally varies within zero to eight years.

The Fund may invest up to 50% of its total assets in high yield securities (“junk bonds”) of any rating or, if unrated, determined to be of comparable quality (except such limitation shall not apply to the Fund’s investments in mortgage-related and asset-backed securities). The Fund may invest

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<sup>2</sup> Series I and Series I(US\$) units are also offered under an offering memorandum

## PIMCO Monthly Income Fund (Canada)

up to 20% of its total assets in securities and instruments that are economically tied to emerging market countries. There is no limit on the amount of securities denominated in foreign currencies that the Fund may invest in.

*Foreign currency exposure of the Fund (see next paragraph for US\$ Series):* The Fund's base currency is the Canadian dollar. The Fund, through hedging, will normally limit its foreign currency exposure to 10% of its total assets and, to that end, the Fund may use derivatives to hedge against non-Canadian dollar currency risk. There can be no assurance these strategies will be successful.

*Foreign currency exposure of the US\$ Series:* With respect to the US\$ Series, the Fund, through hedging, will normally limit its non-USD currency exposure to 10% of its total assets and, to that end, the Fund may use derivatives to hedge against non-USD currency risk and/or the Fund may obtain exposure to the USD by using derivatives to counter the hedging strategy of the Fund as described in *Foreign currency exposure of the Fund*, as necessary. There can be no assurance these strategies will be successful.

The Fund will seek to maintain a high and consistent level of income by investing in a broad array of fixed income sectors and utilizing income efficient implementation strategies. Any capital appreciation generally arises from decreases in interest rates or improving credit fundamentals for a particular sector or security.

The Fund has obtained an exemption from the Canadian securities regulators to permit the Fund to use certain additional types of securities to cover certain specified derivative positions. See *Specific Information about Each of the Mutual Funds Described in this Document* for additional information concerning this exemption.

The Fund will engage in short selling as a complement to the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's overall investment objectives and enhancing the Fund's returns subject to the controls and restrictions set out in Canadian securities laws.

Securities lending, repurchase transactions and reverse repurchase transactions may be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's investment objectives and to enhance the Fund's returns. For a description and the limits of the Fund's investments in these transactions and how the Fund manages the risks associated with these transactions, see the discussion under *Securities lending, repurchase agreements and reverse repurchase agreements*.

The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons. The Fund may hold other investments from time to time, including equity securities permitted on bond reorganizations or restructurings.

The Fund may have a high portfolio turnover rate. The higher the portfolio turnover rate, the greater the Fund's trading costs, and the greater the possibility of unitholders receiving a taxable capital gain as a result of ownership of units in the Fund.

***What are the risks of investing in the Fund?***

In addition to the risks applicable to all Funds described under *What is a mutual fund and what are the risks of investing in a mutual fund?* – *Specific risks of mutual funds*, the additional principal risks of investing in this Fund are:

- borrowing risk
- commodity risk
- distressed company risk
- equity risk
- high yield risk
- indexing risk
- issuer risk
- liquidity risk
- real estate risk
- sanctioned countries investment risk
- underlying exchange traded funds risk

You will find details about each risk under *What is a mutual fund and what are the risks of investing in a mutual fund?* – *Specific risks of mutual funds*.

***Who should invest in this Fund?***

This Fund may be suitable for medium to long-term investors who:

- are seeking income with a moderate degree of capital growth;
- are investing for income; and
- can accept low risk.

We have assigned a risk rating of low to this Fund. Please see *Investment Risk Classification Methodology* for a description of how we determine the level of investor risk tolerance.

***Distribution policy***

Each year, the Fund intends to distribute a sufficient amount of its net income and net realized capital gains for the year to unitholders so that the Fund will not be liable for ordinary income tax. To the extent that the Fund has not otherwise distributed a sufficient amount of its net income or net capital gains, a distribution will be paid to unitholders at the end of the year and that distribution will be automatically reinvested in additional units. Immediately following such reinvestment, the number of units outstanding will be consolidated so that the net asset value per unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid.

*Mutual Fund Series:* The Fund credits net income daily to unitholders' accounts and distributes monthly any net income and annually net realized capital gains and income. The Fund may also make other distributions out of the net income, net realized capital gains or capital of the Fund at such times as determined by the Manager in its sole discretion. Distributions will always be

## PIMCO Monthly Income Fund (Canada)

reinvested in additional units of the Fund unless you notify us that you want to receive cash distributions.

*Exchange Traded Series:* The Fund distributes monthly any net income and annually net realized capital gains. The Fund may also make other distributions out of the net income, net realized capital gains or capital of the Fund at such times as determined by the Manager in its sole discretion. Any distributions will be made in cash. A unitholder that subscribes for Exchange Traded Series units during the period that is one business day before a distribution record date until that distribution record date will not be entitled to receive the applicable distribution in respect of those units.

### *Fund expenses indirectly borne by investors*

The following chart is intended to help you compare the cost of investing in units of the Fund with the cost of investing in other mutual funds. It shows the amount of the Fund's fees and expenses which would apply to each \$1,000 investment you make, assuming that:

- the Fund's annual performance is a constant 5% per year, and
- the Fund's management expense ratio remained the same as in its last financial year for the complete 10 years. This information is derived from the Fund's audited annual financial statements for the period from January 1, 2020 to December 31, 2020 or, in the case of Series N units, from September 18, 2020 to December 31, 2020.

	<b>For 1 Year</b>	<b>For 3 Years</b>	<b>For 5 Years</b>	<b>For 10 Years</b>
Series A	\$14.25	\$44.92	\$78.73	\$179.20
Series F	\$8.61	\$27.14	\$47.58	\$108.30
Series I	\$0.10	\$0.32	\$0.57	\$1.29
Series O	\$12.51	\$39.42	\$69.10	\$157.29
Series M	\$6.87	\$21.65	\$37.95	\$86.38
Series N	\$5.95	\$18.74	\$32.85	\$74.78
Series H	\$5.74	\$18.10	\$31.72	\$72.20
Series A(US\$)	\$14.25	\$44.92	\$78.73	\$179.20
Series F(US\$)	\$8.61	\$27.14	\$47.58	\$108.30
Series I(US\$)	\$0.10	\$0.32	\$0.57	\$1.29
Series O(US\$)	\$12.51	\$39.42	\$69.10	\$157.29
Series M(US\$)	\$6.87	\$21.65	\$37.95	\$86.38
ETF Series	\$8.61	\$27.14	\$47.58	\$108.30
ETF(US\$) Series	\$8.41	\$26.50	\$46.44	\$105.72

Because the 5% growth rate is only an assumption, as is the management expense ratio, your actual costs may be lower or higher. For more information about expenses, see the section *Fees and expenses*.



## **PIMCO Flexible Global Bond Fund (Canada)**

### **Fund details**

<b>Fund type</b>	Global Fixed Income
<b>Start date</b>	Series A units: January 20, 2011 Series F units: January 20, 2011 Series I units: January 20, 2011 <sup>3</sup>
<b>Type of securities</b>	Units of a mutual fund trust
<b>Qualified investment for registered plans?</b>	Yes
<b>Portfolio adviser</b>	PIMCO Canada
<b>Sub-adviser</b>	PIMCO

### **What does the Fund invest in?**

#### *Investment objectives*

The investment objective of the Fund is to achieve maximum total return, consistent with preservation of capital and prudent investment management. It invests primarily in non-Canadian dollar Fixed Income Instruments of varying maturities.

Any change to the fundamental investment objective must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

#### *Investment strategies*

The Fund seeks to achieve its investment objective by investing under normal circumstances primarily in non-Canadian dollar Fixed Income Instruments of varying maturities, which may be represented by derivatives. The average portfolio duration of this Fund normally varies from zero to eight years.

The Fund may invest in high yield securities (“junk bonds”), provided that the Fund may not invest more than 15% of its total assets in securities that are rated B or lower by Moody’s, or equivalently rated by S&P, Fitch, DBRS or, if unrated, determined to be of comparable quality. The Fund may invest without limitation in securities denominated in foreign currencies and in Canadian dollar denominated securities of foreign issuers. The Fund may invest without limitation in securities and instruments that are economically tied to emerging market countries.

The Fund’s base currency is the Canadian dollar. The Fund, through hedging, will normally limit all or some of its foreign currency exposure and, to that end, the Fund may use derivatives to hedge against non-Canadian dollar currency risk. There can be no assurance these strategies will be successful.

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<sup>3</sup> Series I units are also offered under an offering memorandum

## PIMCO Flexible Global Bond Fund (Canada)

When the Fund uses derivatives, such as options, futures contracts, forwards and swaps, for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities rules.

The “total return” sought by the Fund consists of income earned on the Fund’s investments, plus capital appreciation, if any, which generally arises from decreases in interest rates, foreign currency appreciation, or improving credit fundamentals for a particular sector or security.

The Fund has obtained an exemption from the Canadian securities regulators to permit the Fund to use certain additional types of securities to cover certain specified derivative positions. See *Specific Information about Each of the Mutual Funds Described in this Document* for additional information concerning this exemption.

The Fund will engage in short selling as a complement to the Fund’s other investment strategies in a manner considered most appropriate to achieve the Fund’s overall investment objectives and enhancing the Fund’s returns subject to the controls and restrictions set out in Canadian securities laws.

The Fund has obtained an exemption from the Canadian securities regulators to permit the Fund to invest more than 10% of the Fund’s assets invested in fixed income securities issued or guaranteed by various governments or permitted international agencies that are traded on mature and liquid markets and provided that the acquisition of these securities is consistent with the Fund’s investment objective, including to:

- (i) invest up to 20% of the Fund’s net assets, taken at market value at the time of purchase, in securities of any one issuer issued or guaranteed as to principal and interest by any government (other than the government of Canada and the government of the United States of America) or any agency thereof or any of the World Bank (the International Bank for Reconstruction and Development), the Inter-American Development Bank, the Asian Development Bank, the International Finance Corporation, the European Bank for Reconstruction and Development (collectively, “Permitted Agencies”) provided that the securities have a minimum AA rating by S&P, or have an equivalent rating by one or more other designated credit rating organizations; or
- (ii) invest up to 35% of the Fund’s net assets, taken at market value at the time of purchase, in securities of any one issuer issued or guaranteed as to principal and interest by any government (other than the government of Canada and the government of the United States of America) or any agency thereof or any Permitted Agency provided that the securities have a minimum AAA rating by S&P, or have an equivalent rating by one or more other designated credit rating organizations.

Securities lending, repurchase transactions and reverse repurchase transactions may be used in conjunction with the Fund’s other investment strategies in a manner considered most appropriate to achieve the Fund’s investment objectives and to enhance the Fund’s returns. For a description and the limits of the Fund’s investments in these transactions and how the Fund manages the risks associated with these transactions, see the discussion under *Securities lending, repurchase agreements and reverse repurchase agreements*.

## PIMCO Flexible Global Bond Fund (Canada)

The Fund may also invest in cash or cash equivalents.

The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons. The Fund may hold other investments from time to time, including equity investments.

The Fund may have a high portfolio turnover rate. The higher the portfolio turnover rate, the greater the Fund's trading costs, and the greater the possibility of unitholders receiving a taxable capital gain as a result of ownership of units in the Fund.

### ***What are the risks of investing in the Fund?***

In addition to the risks applicable to all Funds described under *What is a mutual fund and what are the risks of investing in a mutual fund? – Specific risks of mutual funds*, the additional principal risks of investing in this Fund are:

- commodity risk
- equity risk
- high yield risk
- indexing risk
- issuer risk
- liquidity risk
- real estate risk
- sanctioned countries investment risk
- underlying exchange traded funds risk

As at May 31, 2021, three investors held approximately 27.1%, 15.0% and 13.3%, respectively, of the units of the Fund.

You will find details about each risk under *What is a mutual fund and what are the risks of investing in a mutual fund? – Specific risks of mutual funds*.

### ***Who should invest in this Fund?***

This Fund may be suitable for medium to long-term investors who:

- can accept some interest rate risk to achieve moderate capital growth;
- are investing for a combination of income and growth; and
- can accept low to medium risk.

We have assigned a risk rating of low to medium to this Fund. Please see *Investment Risk Classification Methodology* for a description of how we determine the level of investor risk tolerance.

***Distribution policy***

The Fund declares and distributes quarterly any net income and annually net realized capital gains. The Fund may also make other distributions out of the net income, net realized capital gains or capital of the Fund at such times as determined by the Manager in its sole discretion.

To the extent that the Fund has not otherwise distributed a sufficient amount of its net income or net capital gains, a distribution will be paid to unitholders at the end of the year and that distribution will be automatically reinvested in additional units. Immediately following such reinvestment, the number of units outstanding will be consolidated so that the net asset value per unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid.

Distributions will always be reinvested in additional units of the Fund unless you notify us that you want to receive cash distributions.

***Fund expenses indirectly borne by investors***

The following chart is intended to help you compare the cost of investing in units of the Fund with the cost of investing in other mutual funds. It shows the amount of the Fund’s fees and expenses which would apply to each \$1,000 investment you make, assuming that:

- the Fund’s annual performance is a constant 5% per year, and
- the Fund’s management expense ratio remained the same as in its last financial year for the complete 10 years. This information is derived from the Fund’s audited annual financial statements for the period from January 1, 2020 to December 31, 2020.

	<b>For 1 Year</b>	<b>For 3 Years</b>	<b>For 5 Years</b>	<b>For 10 Years</b>
Series A	\$13.33	\$42.01	\$73.63	\$167.60
Series F	\$7.59	\$23.91	\$41.91	\$95.40
Series I	\$0.21	\$0.65	\$1.13	\$2.58

Because the 5% growth rate is only an assumption, as is the management expense ratio, your actual costs may be lower or higher. For more information about expenses, see the section *Fees and expenses*.

## **PIMCO Unconstrained Bond Fund (Canada)**

### **Fund details**

<b>Fund type</b>	Global Fixed Income
<b>Start date</b>	Series A units: September 30, 2014 Series A (US\$) units: January 30, 2015 Series F units: September 30, 2014 Series F (US\$) units: January 30, 2015 Series I units: September 30, 2014 <sup>4</sup> Series I (US\$) units: January 30, 2015 <sup>4</sup> Series M units: September 30, 2014 Series M (US\$) units: January 30, 2015 Series O units: September 30, 2014
<b>Type of securities</b>	Units of a mutual fund trust
<b>Qualified investment for registered plans?</b>	Yes
<b>Portfolio adviser</b>	PIMCO Canada
<b>Sub-adviser</b>	PIMCO

### **What does the Fund invest in?**

#### ***Investment objectives***

The investment objective of the Fund is to seek maximum long-term return, consistent with preservation of capital and prudent investment management. It will evaluate opportunities across global fixed income markets in order to outperform the 3-Month Canadian Dealer Offered Rate (CDOR). It primarily invests in a diversified portfolio of non-Canadian dollar Fixed Income Instruments of varying maturities.

Any change to the fundamental investment objective must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

#### ***Investment strategies***

The Fund seeks to achieve its investment objective by investing, in a manner consistent with the portfolio manager's secular thinking, global themes and integrated investment process across sectors. The Fund is an absolute return-oriented bond strategy that has broad investment discretion to invest but is not tethered to benchmark-specific guidelines or significant sector constraints.

The Fund invests in investment grade debt securities and may invest up to 40% of its total assets in high yield securities, and up to 50% of its total assets in emerging markets bonds.

The Fund is not limited to a maximum on non-Canadian dollar denominated securities and may have duration from negative three to positive eight years. This is possible due to the greater investment discretion to adjust duration exposure, allocate across sectors, or otherwise express active views and tap into PIMCO's global toolkit.

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<sup>4</sup> Series I and Series I(US\$) units are also offered under an offering memorandum

## PIMCO Unconstrained Bond Fund (Canada)

The Fund will invest primarily in a portfolio of government and corporate issues, or derivatives on such instruments, as well as equity securities (including preferred and common stock, emerging market sovereign and corporate securities and private placement securities), money market instruments and funds, OECD government notes and bonds, bank loans, both participations and assignments, unlevered structured notes, payments in kind and step-up coupons. The Fund will not limit its exposure to mortgage-backed securities and other asset-backed Interest only (IO), Principal only (PO), preferred securities, bank loans or inverse floater securities.

*Foreign currency exposure of the Fund (see next paragraph for US\$ Series):* The Fund's base currency is the Canadian dollar. The Fund, through hedging, will normally limit its foreign currency exposure to 35% of its total assets and, to that end, the Fund may use derivatives to hedge against non-Canadian dollar currency risk. There can be no assurance these strategies will be successful.

*Foreign currency exposure of the US\$ Series:* With respect to the US\$ Series, the Fund, through hedging, will normally limit its non-USD currency exposure to 35% of its total assets and, to that end, the Fund may use derivatives to hedge against non-USD currency risk and/or the Fund may obtain exposure to the USD by using derivatives to counter the hedging strategy of the Fund as described in *Foreign currency exposure of the Fund*, as necessary. There can be no assurance these strategies will be successful.

The Fund may rely on an exemption from the Canadian securities regulators to permit the Fund to use certain additional types of securities to cover certain specified derivative positions. See *Specific Information about Each of the Mutual Funds Described in this Document* for additional information concerning this exemption.

The Fund may engage in short selling as a complement to the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's overall investment objectives and enhancing the Fund's returns subject to the controls and restrictions set out in Canadian securities laws.

Securities lending, repurchase transactions and reverse repurchase transactions may be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's investment objectives and to enhance the Fund's returns. For a description and the limits of the Fund's investments in these transactions and how the Fund manages the risks associated with these transactions, see the discussion under *Securities lending, repurchase agreements and reverse repurchase agreements*.

The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities of varying maturities during periods of market downturn or for other reasons. The Fund may hold other investments from time to time, including equity investments.

The Fund may have a high portfolio turnover rate. The higher the portfolio turnover rate, the greater the Fund's trading costs, and the greater the possibility of unitholders receiving a taxable capital gain as a result of ownership of units in the Fund.

***What are the risks of investing in the Fund?***

In addition to the risks applicable to all Funds described under *What is a mutual fund and what are the risks of investing in a mutual fund? – Specific risks of mutual funds*, the additional principal risks of investing in this Fund are:

- commodity risk
- equity risk
- high yield risk
- issuer risk
- liquidity risk
- sanctioned countries investment risk

As at May 31, 2021, one investor held approximately 16.9% of the units of the Fund.

You will find details about each risk under *What is a mutual fund and what are the risks of investing in a mutual fund? – Specific risks of mutual funds.*

***Who should invest in this Fund?***

This Fund may be suitable for medium to long-term investors who:

- can accept some risk to achieve moderate capital growth
- are investing for a combination of income and growth
- can accept low to medium risk.

We have assigned a risk rating of low to medium to this Fund. Please see *Investment Risk Classification Methodology* for a description of how we determine the level of investor risk tolerance.

***Distribution policy***

The Fund declares and distributes quarterly any net income and annually net realized capital gains. The Fund may also make other distributions out of the net income, net realized capital gains or capital of the Fund at such times as determined by the Manager in its sole discretion.

To the extent that the Fund has not otherwise distributed a sufficient amount of its net income or net capital gains, a distribution will be paid to unitholders at the end of the year and that distribution will be automatically reinvested in additional units. Immediately following such reinvestment, the number of units outstanding will be consolidated so that the net asset value per unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid.

Distributions will always be reinvested in additional units of the Fund unless you notify us that you want to receive cash distributions.

## PIMCO Unconstrained Bond Fund (Canada)

### *Fund expenses indirectly borne by investors*

The following chart is intended to help you compare the cost of investing in units of the Fund with the cost of investing in other mutual funds. It shows the amount of the Fund's fees and expenses which would apply to each \$1,000 investment you make, assuming that:

- the Fund's annual performance is a constant 5% per year, and
- the Fund's management expense ratio remained the same as in its last financial year for the complete 10 years. This information is derived from the Fund's audited annual financial statements for the period from January 1, 2020 to December 31, 2020.

	<b>For 1 Year</b>	<b>For 3 Years</b>	<b>For 5 Years</b>	<b>For 10 Years</b>
Series A	\$15.38	\$48.47	\$84.96	\$193.39
Series F	\$9.94	\$31.34	\$54.94	\$125.06
Series I	\$0.41	\$1.29	\$2.27	\$5.16
Series O	\$14.88	\$46.65	\$81.68	\$185.77
Series M	\$9.84	\$31.02	\$54.37	\$123.77
Series A(US\$)	\$15.99	\$50.41	\$88.35	\$201.12
Series F(US\$)	\$9.74	\$30.70	\$53.81	\$122.48
Series I(US\$)	\$0.41	\$1.29	\$2.27	\$5.16
Series M(US\$)	\$9.74	\$30.70	\$53.81	\$122.48

Because the 5% growth rate is only an assumption, as is the management expense ratio, your actual costs may be lower or higher. For more information about expenses, see the section *Fees and expenses*.



## PIMCO Investment Grade Credit Fund (Canada)

### Fund details

<b>Fund type</b>	Global Fixed Income
<b>Start date</b>	Series A units: September 14, 2015 Series A(US\$) units: September 14, 2015 Series F units: September 14, 2015 Series F(US\$) units: September 14, 2015 Series I units: September 14, 2015 <sup>5</sup> Series I(US\$) units: September 14, 2015 <sup>5</sup> Series M units: September 14, 2015 Series M(US\$) units: September 14, 2015 Series O units: September 14, 2015 Series O(US\$) units: September 14, 2015 ETF Series units: September 29, 2017
<b>Type of securities</b>	Units of a mutual fund trust
<b>Qualified investment for registered plans?</b>	Yes
<b>Portfolio adviser</b>	PIMCO Canada
<b>Sub-adviser</b>	PIMCO

### What does the Fund invest in?

#### *Investment objectives*

The investment objective of the Fund is to maximize current income consistent with preservation of capital and prudent investment management. It invests primarily in non-Canadian dollar high quality corporate bonds diversified broadly across industries, issuers, and regions.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

#### *Investment strategies*

The Fund seeks to achieve its investment objective by investing the majority of its assets in a diversified portfolio of investment grade corporate fixed income securities of varying maturities.

The average portfolio duration of this Fund normally varies within two years (plus or minus) of the portfolio duration of the securities comprising the Barclays U.S. Credit Index. Duration is a measure used to determine the sensitivity of a security's price to changes in interest rates. The longer a security's duration, the more sensitive it will be to changes in interest rates.

The Fund invests primarily in investment grade debt securities, and will maintain an average credit quality of BBB-. The Fund may invest up to 15% of its total assets in high yield securities ("junk bonds") that are rated below BBB-.

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<sup>5</sup> Series I and Series I(US\$) units are also offered under an offering memorandum

## PIMCO Investment Grade Credit Fund (Canada)

The Fund may invest up to 25% of its total assets in securities and instruments that are economically tied to emerging market countries (this limitation does not apply to investment grade sovereign debt denominated in the local currency with less than 1 year remaining to maturity).

In certain circumstances the Fund may hold preferred stocks. The Fund will not purchase common stocks or equity derivatives.

*Foreign currency exposure of the Fund (see next paragraph for Series A, F, I, M and O):* The Fund's base currency is the USD. The Fund, through hedging, will normally limit its non-USD currency exposure to 20% of its total assets and, to that end, the Fund may use derivatives to hedge against non-USD currency risk. There can be no assurance these strategies will be successful.

*Foreign currency exposure of Series A, F, I, M and O:* With respect to Series A, F, I, M and O, the Fund, through hedging, will normally limit its non-Canadian dollar currency exposure to 20% of the total assets attributable to those series and, to that end, the Fund may use derivatives to hedge against non-Canadian dollar currency risk. There can be no assurance these strategies will be successful.

The Fund has obtained an exemption from the Canadian securities regulators to permit the Fund to use certain additional types of securities to cover certain specified derivative positions. See *Specific Information about Each of the Mutual Funds Described in this Document* for additional information concerning this exemption.

The Fund may engage in short selling as a complement to the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's overall investment objectives and enhancing the Fund's returns subject to the controls and restrictions set out in Canadian securities laws.

The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons.

The Fund may have a high portfolio turnover rate. The higher the portfolio turnover rate, the greater the Fund's trading costs, and the greater the possibility of unitholders receiving a taxable capital gain as a result of ownership of units in the Fund.

### ***What are the risks of investing in the Fund?***

In addition to the risks applicable to all Funds described under *What is a mutual fund and what are the risks of investing in a mutual fund?* – *Specific risks of mutual funds*, the additional principal risks of investing in this Fund are:

- borrowing risk
- commodity risk
- distressed company risk
- high yield risk
- indexing risk

## PIMCO Investment Grade Credit Fund (Canada)

- infrastructure risk
- issuer risk
- liquidity risk
- real estate risk
- sanctioned countries investment risk
- underlying exchange traded funds risk

As at May 31, 2021, one investor held approximately 14.7% of the units of the Fund.

You will find details about each risk under *What is a mutual fund and what are the risks of investing in a mutual fund? – Specific risks of mutual funds.*

### ***Who should invest in this Fund?***

This Fund may be suitable for medium to long-term investors who:

- want a combination of income and growth;
- are willing to accept some interest rate risk to achieve moderate capital growth; and
- can accept low to medium risk.

We have assigned a risk rating of low to medium to this Fund. Please see *Investment Risk Classification Methodology* for a description of how we determine the level of investor risk tolerance.

### ***Distribution policy***

Each year, the Fund intends to distribute a sufficient amount of its net income and net realized capital gains for the year to unitholders so that the Fund will not be liable for ordinary income tax. To the extent that the Fund has not otherwise distributed a sufficient amount of its net income or net capital gains, a distribution will be paid to unitholders at the end of the year and that distribution will be automatically reinvested in additional units. Immediately following such reinvestment, the number of units outstanding will be consolidated so that the net asset value per unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid.

*Mutual Fund Series:* The Fund credits net income daily to unitholders' accounts and distributes monthly any net income and annually net realized capital gains and income. The Fund may also make other distributions out of the net income, net realized capital gains or capital of the Fund at such times as determined by the Manager in its sole discretion. Distributions will always be reinvested in additional units of the Fund unless you notify us that you want to receive cash distributions.

*ETF Series:* The Fund distributes monthly any net income and annually net realized capital gains. The Fund may also make other distributions out of the net income, net realized capital gains or capital of the Fund at such times as determined by the Manager in its sole discretion. Any distributions will be made in cash. A unitholder that subscribes for ETF Series units during the

## PIMCO Investment Grade Credit Fund (Canada)

period that is one business day before a distribution record date until that distribution record date will not be entitled to receive the applicable distribution in respect of those ETF Series units.

### *Fund expenses indirectly borne by investors*

The following chart is intended to help you compare the cost of investing in units of the Fund with the cost of investing in other mutual funds. All values are in U.S. dollars. It shows the amount of the Fund's fees and expenses which would apply to each US\$1,000 investment you make, assuming that:

- the Fund's annual performance is a constant 5% per year, and
- the Fund's management expense ratio remained the same as in its last financial year for the complete 10 years. This information is derived from the Fund's audited annual financial statements for the period from January 1, 2020 to December 31, 2020.

	<b>For 1 Year</b>	<b>For 3 Years</b>	<b>For 5 Years</b>	<b>For 10 Years</b>
Series A	US\$14.15	US\$44.59	US\$78.16	US\$177.91
Series F	US\$8.51	US\$26.82	US\$47.01	US\$107.01
Series I	US\$0.00	US\$0.00	US\$0.00	US\$0.00
Series O	US\$12.20	US\$38.45	US\$67.40	US\$153.42
Series M	US\$6.77	US\$21.33	US\$37.38	US\$85.09
Series A(US\$)	US\$14.04	US\$44.27	US\$77.59	US\$176.63
Series F(US\$)	US\$8.41	US\$26.50	US\$46.44	US\$105.72
Series I(US\$)	US\$0.00	US\$0.00	US\$0.00	US\$0.00
Series O(US\$)	US\$12.40	US\$39.10	US\$68.53	US\$156.00
Series M(US\$)	US\$6.77	US\$21.33	US\$37.38	US\$85.09
ETF Series	US\$8.41	US\$26.50	US\$46.44	US\$105.72

Because the 5% growth rate is only an assumption, as is the management expense ratio, your actual costs may be lower or higher. For more information about expenses, see the **section Fees and expenses**.

## **PIMCO Global Short Maturity Fund (Canada)**

### **Fund details**

<b>Fund type</b>	Global Fixed Income
<b>Start date</b>	Series A units: February 1, 2019 Series A(US\$) units: July 31, 2019 Series F units: February 1, 2019 Series F(US\$) units: July 31, 2019 Series I: February 10, 2020 ETF Series units: February 1, 2019
<b>Type of securities</b>	Units of a mutual fund trust
<b>Qualified investment for registered plans?</b>	Yes
<b>Portfolio adviser</b>	PIMCO Canada
<b>Sub-adviser</b>	PIMCO

### **What does the Fund invest in?**

#### *Investment objectives*

The investment objective of the Fund is to achieve current income exceeding short-dated government securities, consistent with principal preservation and liquidity. It invests primarily in a diversified portfolio of non-Canadian dollar investment grade Fixed Income Instruments of short and medium-term maturities.

Any change to the fundamental investment objective must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

#### *Investment strategies*

The Fund seeks to achieve its investment objective by investing under normal circumstances primarily in non-Canadian dollar Fixed Income Instruments of varying maturities. The Fund will primarily invest in physical securities. The average portfolio duration of this Fund will normally not exceed one year. The Fund seeks to outperform the 3-month Canadian Dealer Offered Rate (CDOR).

The Fund primarily invests in investment grade debt securities, rated Baa or higher by Moody's, or equivalently rated by S&P or Fitch or, if unrated, determined by PIMCO to be of comparable quality.

There is no limit on the amount of securities denominated in foreign currencies that the Fund may invest in. The Fund may invest up to 5% of its total assets in securities and instruments that are economically tied to emerging market countries.

With respect to the US\$ Series, the Fund, through hedging, will normally limit its non-USD currency exposure to 10% of its total assets and, to that end, the Fund may use derivatives to hedge against non-USD currency risk and/or the Fund may obtain exposure to the USD by using

## PIMCO Global Short Maturity Fund (Canada)

derivatives to counter the hedging strategy of the Fund, as necessary. There can be no assurance these strategies will be successful.

When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities rules.

The Fund has obtained an exemption from the Canadian securities regulators to permit the Fund to use certain additional types of securities to cover certain specified derivative positions. See *Specific Information about Each of the Mutual Funds Described in this Document* for additional information concerning this exemption.

Securities lending, repurchase transactions and reverse repurchase transactions may be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's investment objectives and to enhance the Fund's returns. For a description and the limits of the Fund's investments in these transactions and how the Fund manages the risks associated with these transactions, see the discussion under *Securities lending, repurchase agreements and reverse repurchase agreements*.

The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons. The Fund may hold other investments from time to time, including equity investments.

The Fund may have a high portfolio turnover rate. The higher the portfolio turnover rate, the greater the Fund's trading costs, and the greater the possibility of unitholders receiving a taxable capital gain as a result of ownership of units in the Fund.

### ***What are the risks of investing in the Fund?***

In addition to the risks applicable to all Funds described under *What is a mutual fund and what are the risks of investing in a mutual fund? – Specific risks of mutual funds*, the additional principal risks of investing in this Fund are:

- issuer risk
- real estate risk
- underlying exchange traded funds risk

As at May 31, 2021, one investor held approximately 13.4% of the units of the Fund.

You will find details about each risk under *What is a mutual fund and what are the risks of investing in a mutual fund? – Specific risks of mutual funds*.

### ***Who should invest in this Fund?***

This Fund may be suitable for short to long-term investors who:

- are seeking modestly higher income than available from short-dated government securities and capital preservation;
- are looking for a liquid, short-term investment; and

## PIMCO Global Short Maturity Fund (Canada)

- can accept low risk.

We have assigned a risk rating of low to this Fund. Please see *Investment Risk Classification Methodology* for a description of how we determine the level of investor risk tolerance.

### ***Distribution policy***

Each year, the Fund intends to distribute a sufficient amount of its net income and net realized capital gains for the year to unitholders so that the Fund will not be liable for ordinary income tax. To the extent that the Fund has not otherwise distributed a sufficient amount of its net income or net capital gains, a distribution will be paid to unitholders at the end of the year and that distribution will be automatically reinvested in additional units. Immediately following such reinvestment, the number of units outstanding will be consolidated so that the net asset value per unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid.

*Mutual Fund Series:* The Fund credits net income daily to unitholders' accounts and distributes monthly any net income and annually net realized capital gains and income. The Fund may also make other distributions out of the net income, net realized capital gains or capital of the Fund at such times as determined by the Manager in its sole discretion. Distributions will always be reinvested in additional units of the Fund unless you notify us that you want to receive cash distributions.

*Exchange Traded Series:* The Fund distributes monthly any net income and annually net realized capital gains. The Fund may also make other distributions out of the net income, net realized capital gains or capital of the Fund at such times as determined by the Manager in its sole discretion. Any distributions will be made in cash. A unitholder that subscribes for Exchange Traded Series units during the period that is one business day before a distribution record date until that distribution record date will not be entitled to receive the applicable distribution in respect of those units.

### ***Fund expenses indirectly borne by investors***

The following chart is intended to help you compare the cost of investing in units of the Fund with the cost of investing in other mutual funds. It shows the amount of the Fund's fees and expenses which would apply to each \$1,000 investment you make, assuming that:

- the Fund's annual performance is a constant 5% per year, and
- the Fund's management expense ratio remained the same as in its last financial year for the complete 10 years. This information is derived from the Fund's audited annual financial statements for the period from January 1, 2020 to December 31, 2020 or, in the case of Series I units, from February 10, 2020 to December 31, 2020.

	<b>For 1 Year</b>	<b>For 3 Years</b>	<b>For 5 Years</b>	<b>For 10 Years</b>
Series A	\$6.77	\$21.33	\$37.38	\$85.09
Series A(US\$)	\$6.46	\$20.36	\$35.68	\$81.22
Series F	\$4.00	\$12.60	\$22.09	\$50.28
Series F(US\$)	\$3.79	\$11.96	\$20.96	\$47.70

**PIMCO Global Short Maturity Fund (Canada)**

	<b>For 1 Year</b>	<b>For 3 Years</b>	<b>For 5 Years</b>	<b>For 10 Years</b>
Series I	\$0.00	\$0.00	\$0.00	\$0.00
ETF Series	\$4.00	\$12.60	\$22.09	\$50.28

Because the 5% growth rate is only an assumption, as is the management expense ratio, your actual costs may be lower or higher. For more information about expenses, see the section *Fees and expenses*.



## PIMCO Low Duration Monthly Income Fund (Canada)

### Fund details

<b>Fund type</b>	Global Fixed Income
<b>Start date</b>	Series A units: February 1, 2019 Series A(US\$) units: February 1, 2019 Series F units: February 1, 2019 Series F(US\$) units: February 1, 2019 Series I units: February 1, 2019 <sup>6</sup> Series I(US\$) units: February 1, 2019 <sup>6</sup> Series M units: February 1, 2019 Series M(US\$) units: February 1, 2019 Series O units: February 1, 2019 Series O(US\$) units: February 1, 2019 ETF Series units: February 1, 2019
<b>Type of securities</b>	Units of a mutual fund trust
<b>Qualified investment for registered plans?</b>	Yes
<b>Portfolio adviser</b>	PIMCO Canada
<b>Sub-adviser</b>	PIMCO

### What does the Fund invest in?

#### *Investment objectives*

The investment objective of the Fund is to maximize current income consistent with preservation of capital while limiting exposure to changes in interest rates. Long-term capital appreciation is a secondary objective. It invests primarily in a diversified portfolio of non-Canadian dollar Fixed Income Instruments of varying maturities.

Any change to the fundamental investment objectives must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

#### *Investment strategies*

The Fund seeks to achieve its investment objective by investing under normal circumstances primarily in non-Canadian dollar Fixed Income Instruments of varying maturities. The Fund will primarily invest in physical securities, but may use derivatives to gain such exposure from time to time. The average portfolio duration of this Fund normally varies within zero to three years.

The Fund may invest up to 25% of its total assets in high yield securities (“junk bonds”) of any rating or, if unrated, determined to be of comparable quality (except such limitation shall not apply to the Fund’s investments in mortgage-related and asset-backed securities). The Fund may invest up to 15% of its total assets in securities and instruments that are economically tied to emerging

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<sup>6</sup> Series I and Series I(US\$) units are also offered under an offering memorandum.

## PIMCO Low Duration Monthly Income Fund (Canada)

market countries. There is no limit on the amount of securities denominated in foreign currencies that the Fund may invest in.

*Foreign currency exposure of the Fund* (see next paragraph for Series A, F, I, M, O and ETF Series): The Fund's base currency is the USD. The Fund, through hedging, will normally limit its non-USD currency exposure to 10% of its total assets and, to that end, the Fund may use derivatives to hedge against non-USD currency risk. There can be no assurance these strategies will be successful.

*Foreign currency exposure of Series A, F, I, M, O and ETF Series:* With respect to Series A, F, I, M, O and ETF Series, the Fund, through hedging, will normally limit its non-Canadian dollar currency exposure to 10% of its total assets and, to that end, the Fund may use derivatives to hedge against non-Canadian dollar currency risk. There can be no assurance these strategies will be successful.

The Fund will seek to maintain a high and consistent level of income by investing in a broad array of fixed income sectors and utilizing income efficient implementation strategies. Any capital appreciation generally arises from decreases in interest rates or improving credit fundamentals for a particular sector or security.

The Fund has obtained an exemption from the Canadian securities regulators to permit the Fund to use certain additional types of securities to cover certain specified derivative positions. See *Specific Information about Each of the Mutual Funds Described in this Document* for additional information concerning this exemption.

The Fund will engage in short selling as a complement to the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's overall investment objectives and enhancing the Fund's returns subject to the controls and restrictions set out in Canadian securities laws.

Securities lending, repurchase transactions and reverse repurchase transactions may be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's investment objectives and to enhance the Fund's returns. For a description and the limits of the Fund's investments in these transactions and how the Fund manages the risks associated with these transactions, see the discussion under *Securities lending, repurchase agreements and reverse repurchase agreements*.

The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons. The Fund may hold other investments from time to time, including equity investments.

The Fund may have a high portfolio turnover rate. The higher the portfolio turnover rate, the greater the Fund's trading costs, and the greater the possibility of unitholders receiving a taxable capital gain as a result of ownership of units in the Fund.

## PIMCO Low Duration Monthly Income Fund (Canada)

### ***What are the risks of investing in the Fund?***

In addition to the risks applicable to all Funds described under *What is a mutual fund and what are the risks of investing in a mutual fund? – Specific risks of mutual funds*, the additional principal risks of investing in this Fund are:

- borrowing risk
- commodity risk
- distressed company risk
- equity risk
- high yield risk
- issuer risk
- liquidity risk
- real estate risk
- sanctioned countries investment risk
- underlying exchange traded funds risk

As at May 31, 2021, two investors held approximately 21.7% and 11.8%, respectively, of the units of the Fund.

You will find details about each risk under *What is a mutual fund and what are the risks of investing in a mutual fund? – Specific risks of mutual funds.*

### ***Who should invest in this Fund?***

This Fund may be suitable for medium to long-term investors who:

- are seeking income with a moderate degree of capital growth;
- are investing for income and would like to limit exposure to changes in interest rates; and
- can accept low risk.

We have assigned a risk rating of low to this Fund. Please see *Investment Risk Classification Methodology* for a description of how we determine the level of investor risk tolerance.

### ***Distribution policy***

Each year, the Fund intends to distribute a sufficient amount of its net income and net realized capital gains for the year to unitholders so that the Fund will not be liable for ordinary income tax. To the extent that the Fund has not otherwise distributed a sufficient amount of its net income or net capital gains, a distribution will be paid to unitholders at the end of the year and that distribution will be automatically reinvested in additional units. Immediately following such reinvestment, the number of units outstanding will be consolidated so that the net asset value per unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid.

*Mutual Fund Series:* The Fund credits net income daily to unitholders' accounts and distributes monthly any net income and annually net realized capital gains and income. The Fund may also

## PIMCO Low Duration Monthly Income Fund (Canada)

make other distributions out of the net income, net realized capital gains or capital of the Fund at such times as determined by the Manager in its sole discretion. Distributions will always be reinvested in additional units of the Fund unless you notify us that you want to receive cash distributions.

*Exchange Traded Series:* The Fund distributes monthly any net income and annually net realized capital gains. The Fund may also make other distributions out of the net income, net realized capital gains or capital of the Fund at such times as determined by the Manager in its sole discretion. Any distributions will be made in cash. A unitholder that subscribes for Exchange Traded Series units during the period that is one business day before a distribution record date until that distribution record date will not be entitled to receive the applicable distribution in respect of those units.

### *Fund expenses indirectly borne by investors*

The following chart is intended to help you compare the cost of investing in units of the Fund with the cost of investing in other mutual funds. All values are in U.S. dollars. It shows the amount of the Fund's fees and expenses which would apply to each US\$1,000 investment you make, assuming that:

- the Fund's annual performance is a constant 5% per year, and
- the Fund's management expense ratio remained the same as in its last financial year for the complete 10 years. This information is derived from the Fund's audited annual financial statements for the period from January 1, 2020 to December 31, 2020.

	<b>For 1 Year</b>	<b>For 3 Years</b>	<b>For 5 Years</b>	<b>For 10 Years</b>
Series A	US\$14.25	US\$44.92	US\$78.73	US\$179.20
Series F	US\$8.71	US\$27.47	US\$48.14	US\$109.58
Series I	US\$0.10	US\$0.32	US\$0.57	US\$1.29
Series O	US\$11.89	US\$37.48	US\$65.70	US\$149.55
Series M	US\$6.87	US\$21.65	US\$37.95	US\$86.38
Series A(US\$)	US\$14.56	US\$45.88	US\$80.43	US\$183.07
Series F(US\$)	US\$8.71	US\$27.47	US\$48.14	US\$109.58
Series I(US\$)	US\$0.10	US\$0.32	US\$0.57	US\$1.29
Series O(US\$)	US\$12.30	US\$38.78	US\$67.97	US\$154.71
Series M(US\$)	US\$7.07	US\$22.30	US\$39.08	US\$88.96
ETF Series	US\$8.30	US\$26.17	US\$45.88	US\$104.43

Because the 5% growth rate is only an assumption, as is the management expense ratio, your actual costs may be lower or higher. For more information about expenses, see the section *Fees and expenses*.

## **PIMCO Managed Conservative Bond Pool**

### **Fund details**

<b>Fund type</b>	Global Fixed Income
<b>Start date</b>	Series A units: February 14, 2020 Series A(US\$) units: December 23, 2020 Series F units: February 14, 2020 Series F(US\$) units: December 23, 2020 ETF Series units: February 14, 2020
<b>Type of securities</b>	Units of a mutual fund trust
<b>Qualified investment for registered plans?</b>	Yes
<b>Portfolio adviser</b>	PIMCO Canada
<b>Sub-adviser</b>	PIMCO

### **What does the Fund invest in?**

#### *Investment objectives*

The investment objective of the Fund is to achieve maximum total return, consistent with preservation of capital and prudent investment management. The Fund invests primarily in units of other mutual funds managed by PIMCO Canada (called the underlying funds), emphasizing mutual funds that invest in fixed-income securities.

Any change to the fundamental investment objective must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

#### *Investment strategies*

It is expected that the Fund will invest all or substantially all of its net assets in units of the underlying funds.

The Fund seeks to achieve its objectives by selecting underlying funds that primarily invest in fixed-income securities to construct a portfolio that is diversified across sectors, geographies, maturities and credit quality, among other relevant factors, and generally invests a portion of its assets in underlying funds that seek lower exposure to changes in interest rates. The Fund allocates and rebalances across the underlying funds based on PIMCO's assessment of the fixed income markets and the underlying funds' ability to help the Fund meet its stated investment objectives

In addition to investing through underlying funds, the Fund may also invest directly in Fixed Income Instruments or other assets in order to achieve its objectives.

At least 30% of the total assets of the Fund will generally be comprised of government securities, and investments in high yield securities will generally not constitute more than 25% of the Fund's total assets. The non-Canadian currency exposure of the Fund will generally not exceed 25% of the Fund's total assets.

## PIMCO Managed Conservative Bond Pool

The Fund may use specified derivatives, such as options, futures contracts, forwards and swaps, as permitted by Canadian securities laws to, among other things:

- hedge against declines in security prices, financial markets, exchange rates and interest rates;
- gain exposure to securities, financial markets and foreign currencies; and
- seek to obtain market exposure to securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as buy backs and dollar rolls).

*Foreign currency exposure of the Fund (see next paragraph for US\$ Series):* The Fund's base currency is the Canadian dollar. The Fund, through hedging, will normally limit its foreign currency exposure to 25% of its total assets and, to that end, the Fund may use derivatives to hedge against non-Canadian dollar currency risk. There can be no assurance these strategies will be successful.

*Foreign currency exposure of the US\$ Series:* With respect to the US\$ Series, the Fund, through hedging, will normally limit its non-USD currency exposure to 25% of its total assets and, to that end, the Fund may use derivatives to hedge against non-USD currency risk and/or the Fund may obtain exposure to the USD by using derivatives to counter the hedging strategy of the Fund as described in Foreign currency exposure of the Fund, as necessary. There can be no assurance these strategies will be successful.

When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities rules.

The Fund has obtained an exemption from the Canadian securities regulators to permit the Fund to use certain additional types of securities to cover certain specified derivative positions. See *Specific Information about Each of the Mutual Funds Described in this Document* for additional information concerning this exemption.

Securities lending, repurchase transactions and reverse repurchase transactions may be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's investment objectives and to enhance the Fund's returns. For a description and the limits of the Fund's investments in these transactions and how the Fund manages the risks associated with these transactions, see the discussion under *Securities lending, repurchase agreements and reverse repurchase agreements*.

The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons. The Fund may hold other investments from time to time, including equity investments.

The Fund may have a high portfolio turnover rate. The higher the portfolio turnover rate, the greater the Fund's trading costs, and the greater the possibility of unitholders receiving a taxable capital gain as a result of ownership of units in the Fund.

***What are the risks of investing in the Fund?***

In addition to the direct risks of investing in the Fund, the Fund has indirect exposure to the risks of the underlying funds in proportion to its investment in those underlying funds. In addition to the risks applicable to all Funds described under *What is a mutual fund and what are the risks of investing in a mutual fund? – Specific risks of mutual funds*, the additional principal direct and indirect risks that the Fund may be exposed to are the following:

- asset allocation risk
- borrowing risk
- commodity risk
- distressed company risk
- equity risk
- high yield risk
- indexing risk
- infrastructure risk
- issuer risk
- liquidity risk
- real estate risk
- sanctioned countries investment risk
- underlying exchange traded funds risk

You will find details about each risk under *What is a mutual fund and what are the risks of investing in a mutual fund? – Specific risks of mutual funds*,

***Who should invest in this Fund?***

This Fund may be suitable for medium to long-term investors who:

- want to invest in a diversified portfolio of fixed-income securities and can accept some risk to achieve moderate capital growth
- are investing for a combination of income and growth
- can accept low risk.

We have assigned a risk rating of low to this Fund. Please see *Investment Risk Classification Methodology* for a description of how we determine the level of investor risk tolerance.

***Distribution policy***

Each year, the Fund intends to distribute a sufficient amount of its net income and net realized capital gains for the year to unitholders so that the Fund will not be liable for ordinary income tax. To the extent that the Fund has not otherwise distributed a sufficient amount of its net income or net capital gains, an additional distribution will be paid to unitholders at the end of the year and that distribution will be automatically reinvested in additional units. Immediately following such reinvestment, the number of units outstanding will be consolidated so that the net asset value per unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid.

## PIMCO Managed Conservative Bond Pool

*Mutual Fund Series:* The Fund declares and distributes quarterly any net income and annually net realized capital gains. The Fund may also make other distributions out of the net income, net realized capital gains or capital of the Fund at such times as determined by the Manager in its sole discretion. Distributions will always be reinvested in additional units of the Fund unless you notify us that you want to receive cash distributions.

*ETF Series:* The Fund distributes quarterly any net income and annually net realized capital gains. The Fund may also make other distributions out of the net income, net realized capital gains or capital of the Fund at such times as determined by the Manager in its sole discretion. Any distributions will be made in cash. A unitholder that subscribes for ETF Series units during the period that is one business day before a distribution record date until that distribution record date will not be entitled to receive the applicable distribution in respect of those units.

### *Fund expenses indirectly borne by investors*

The following chart is intended to help you compare the cost of investing in units of the Fund with the cost of investing in other mutual funds. It shows the amount of the Fund's fees and expenses which would apply to each \$1,000 investment you make, assuming that:

- the Fund's annual performance is a constant 5% per year, and
- the Fund's management expense ratio remained the same as in its last financial year for the complete 10 years. This information is derived from the Fund's audited annual financial statements for the period from February 14, 2020 to December 31, 2020 or, in the case of Series A(US\$) and Series F(US\$) units, from December 23, 2020 to December 31, 2020.

	<b>For 1 Year</b>	<b>For 3 Years</b>	<b>For 5 Years</b>	<b>For 10 Years</b>
Series A	\$12.40	\$39.10	\$68.53	\$156.00
Series F	\$6.77	\$21.33	\$37.38	\$85.09
Series A(US\$)	\$12.61	\$39.75	\$69.66	\$158.58
Series F(US\$)	\$6.87	\$21.65	\$37.95	\$86.38
ETF Series	\$6.66	\$21.00	\$36.81	\$83.80

Because the 5% growth rate is only an assumption, as is the management expense ratio, your actual costs may be lower or higher. For more information about expenses, see the section *Fees and expenses*.



## PIMCO Managed Core Bond Pool

### Fund details

<b>Fund type</b>	Global Fixed Income
<b>Start date</b>	Series A units: February 14, 2020 Series A(US\$) units: December 23, 2020 Series F units: February 14, 2020 Series F(US\$) units: December 23, 2020 ETF Series units: February 14, 2020
<b>Type of securities</b>	Units of a mutual fund trust
<b>Qualified investment for registered plans?</b>	Yes
<b>Portfolio adviser</b>	PIMCO Canada
<b>Sub-adviser</b>	PIMCO

### What does the Fund invest in?

#### *Investment objectives*

The investment objective of the Fund is to achieve maximum total return, consistent with preservation of capital and prudent investment management. The Fund invests primarily in units of other mutual funds managed by PIMCO Canada (called the *underlying funds*), emphasizing mutual funds that invest in fixed-income securities.

Any change to the fundamental investment objective must be approved by a majority of votes cast at a meeting of unitholders called for that purpose.

#### *Investment strategies*

It is expected that the Fund will invest all or substantially all of its net assets in units of the underlying funds.

The Fund seeks to achieve its objectives by selecting underlying funds that primarily invest in fixed-income securities to construct a portfolio that is diversified across sectors, geographies, maturities and credit quality among other relevant factors. The Fund allocates and rebalances across the underlying funds based on PIMCO's assessment of the fixed income markets and the underlying funds' ability to help the Fund meet its stated investment objectives.

In addition to investing through underlying funds, the Fund may also invest directly in Fixed Income Instruments or other assets in order to achieve its objectives.

At least 30% of the total assets of the Fund will generally be comprised of government securities. Investments in high yield securities will generally not constitute more than 25% of the Fund's total assets. The non-Canadian currency exposure of the Fund will generally not exceed 25% of the Fund's total assets.

The Fund may use specified derivatives, such as options, futures contracts, forwards and swaps, as permitted by Canadian securities laws to, among other things:

- hedge against declines in security prices, financial markets, exchange rates and interest rates;
- gain exposure to securities, financial markets and foreign currencies; and
- seek to obtain market exposure to securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as buy backs and dollar rolls).

*Foreign currency exposure of the Fund (see next paragraph for US\$ Series):* The Fund's base currency is the Canadian dollar. The Fund, through hedging, will normally limit its foreign currency exposure to 25% of its total assets and, to that end, the Fund may use derivatives to hedge against non-Canadian dollar currency risk. There can be no assurance these strategies will be successful.

*Foreign currency exposure of the US\$ Series:* With respect to the US\$ Series, the Fund, through hedging, will normally limit its non-USD currency exposure to 25% of its total assets and, to that end, the Fund may use derivatives to hedge against non-USD currency risk and/or the Fund may obtain exposure to the USD by using derivatives to counter the hedging strategy of the Fund as described in Foreign currency exposure of the Fund, as necessary. There can be no assurance these strategies will be successful.

When the Fund uses derivatives for purposes other than hedging, it holds enough cash or money market instruments to fully cover its positions, as required by securities rules.

The Fund has obtained an exemption from the Canadian securities regulators to permit the Fund to use certain additional types of securities to cover certain specified derivative positions. See *Specific Information about Each of the Mutual Funds Described in this Document* for additional information concerning this exemption.

Securities lending, repurchase transactions and reverse repurchase transactions may be used in conjunction with the Fund's other investment strategies in a manner considered most appropriate to achieve the Fund's investment objectives and to enhance the Fund's returns. For a description and the limits of the Fund's investments in these transactions and how the Fund manages the risks associated with these transactions, see the discussion under *Securities lending, repurchase agreements and reverse repurchase agreements*.

The Fund may choose to deviate from its investment objectives by temporarily investing most or all of its assets in cash or fixed income securities during periods of market downturn or for other reasons. The Fund may hold other investments from time to time, including equity investments.

The Fund may have a high portfolio turnover rate. The higher the portfolio turnover rate, the greater the Fund's trading costs, and the greater the possibility of unitholders receiving a taxable capital gain as a result of ownership of units in the Fund.

***What are the risks of investing in the Fund?***

In addition to the direct risks of investing in the Fund, the Fund has indirect exposure to the risks of the underlying funds in proportion to its investment in those underlying funds. In addition to the risks applicable to all Funds described under *What is a mutual fund and what are the risks of investing in a mutual fund? – Specific risks of mutual funds*, the additional principal direct and indirect risks that the Fund may be exposed to are the following:

- asset allocation risk
- borrowing risk
- commodity risk
- distressed company risk
- equity risk
- high yield risk
- indexing risk
- infrastructure risk
- issuer risk
- liquidity risk
- real estate risk
- sanctioned countries investment risk
- underlying exchange traded funds risk

You will find details about each risk under *What is a mutual fund and what are the risks of investing in a mutual fund? – Specific risks of mutual funds*,.

***Who should invest in this Fund?***

This Fund may be suitable for medium to long-term investors who:

- want to invest in a diversified portfolio of fixed-income securities and can accept some risk to achieve moderate capital growth
- are investing for a combination of income and growth
- can accept low risk.

We have assigned a risk rating of low to this Fund. Please see *Investment Risk Classification Methodology* for a description of how we determine the level of investor risk tolerance.

***Distribution policy***

Each year, the Fund intends to distribute a sufficient amount of its net income and net realized capital gains for the year to unitholders so that the Fund will not be liable for ordinary income tax. To the extent that the Fund has not otherwise distributed a sufficient amount of its net income or net capital gains, an additional distribution will be paid to unitholders at the end of the year and that distribution will be automatically reinvested in additional units. Immediately following such reinvestment, the number of units outstanding will be consolidated so that the net asset value per unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid.

## PIMCO Managed Core Bond Pool

*Mutual Fund Series:* The Fund declares and distributes quarterly any net income and annually net realized capital gains. The Fund may also make other distributions out of the net income, net realized capital gains or capital of the Fund at such times as determined by the Manager in its sole discretion. Distributions will always be reinvested in additional units of the Fund unless you notify us that you want to receive cash distributions.

*ETF Series:* The Fund distributes quarterly any net income and annually net realized capital gains. The Fund may also make other distributions out of the net income, net realized capital gains or capital of the Fund at such times as determined by the Manager in its sole discretion. Any distributions will be made in cash. A unitholder that subscribes for ETF Series units during the period that is one business day before a distribution record date until that distribution record date will not be entitled to receive the applicable distribution in respect of those units.

### *Fund expenses indirectly borne by investors*

The following chart is intended to help you compare the cost of investing in units of the Fund with the cost of investing in other mutual funds. It shows the amount of the Fund's fees and expenses which would apply to each \$1,000 investment you make, assuming that:

- the Fund's annual performance is a constant 5% per year, and
- the Fund's management expense ratio remained the same as in its last financial year for the complete 10 years. This information is derived from the Fund's audited annual financial statements for the period from February 14, 2020 to December 31, 2020 or, in the case of Series A(US\$) and Series F(US\$) units, from December 23, 2020 to December 31, 2020.

	<b>For 1 Year</b>	<b>For 3 Years</b>	<b>For 5 Years</b>	<b>For 10 Years</b>
Series A	\$12.20	\$38.45	\$67.40	\$153.42
Series F	\$6.46	\$20.36	\$35.68	\$81.22
Series A(US\$)	\$12.61	\$39.75	\$69.66	\$158.58
Series F(US\$)	\$6.97	\$21.97	\$38.51	\$87.67
ETF Series	\$6.56	\$20.68	\$36.25	\$82.51

Because the 5% growth rate is only an assumption, as is the management expense ratio, your actual costs may be lower or higher. For more information about expenses, see the section *Fees and expenses*.

## **What is a mutual fund and what are the risks of investing in a mutual fund?**

### **What is a mutual fund?**

A mutual fund is an investment that pools your money with the money of many other people. A portfolio adviser retained for the mutual fund uses that money to buy securities, such as stocks, bonds, cash or other investment instruments, depending on the mutual fund's investment objectives.

When you invest in a mutual fund, you receive units of the mutual fund. Each unit represents a proportionate share of all of the mutual fund's assets. All of the investors in a mutual fund share in the Fund's income, gains and losses. Investors also pay their share of the mutual fund's expenses.

In addition to receiving professional portfolio advice, there are some other advantages to investing in mutual funds over investing in securities on your own. Because your money is pooled with that of other investors, a mutual fund offers diversification into many securities that may not have otherwise been available to individual investors. Mutual funds have low investment minimums, making them accessible to nearly everyone.

An investment in a mutual fund isn't guaranteed. Unlike bank accounts or guaranteed investment certificates (GICs), mutual fund units are not covered by the Canada Deposit Insurance Corporation (CDIC) or any other government deposit insurer.

Under exceptional circumstances, a mutual fund may suspend your right to redeem your units. *See Suspending your right to switch, exchange and redeem units* for details.

### **What are the Exchange Traded Series?**

The Exchange Traded Series are exchange-traded series of units offered by some of the Funds. Exchange Traded Series units of the Funds are, or will be, issued and sold on a continuous basis. There is no maximum number of Exchange Traded Series units that may be issued.

Exchange Traded Series units of PIMCO Monthly Income Fund (Canada), PIMCO Investment Grade Credit Fund (Canada), PIMCO Global Short Maturity Fund (Canada), PIMCO Low Duration Monthly Income Fund (Canada), PIMCO Managed Conservative Bond Pool and PIMCO Managed Core Bond Pool are currently listed on the TSX and an investor may buy or sell Exchange Traded Series units of these Funds on the TSX or another exchange or marketplace through registered brokers and dealers in the province or territory where the investor resides.

### **What are the risks?**

The value of your investment in a Fund changes with the values of that Fund's investments. Many factors can affect those values. Certain principal risks of each Fund are identified below and others are identified under *Specific Information about Each of the Mutual Funds Described in this Document*. Each Fund may be subject to additional risks other than those described because the types of investments made by a Fund can change over time. There is no guarantee that a Fund will be able to achieve its investment objective. It is possible to lose money by investing in a Fund.

The amount of risk depends on the Fund's investment objectives and the types of securities it invests in. A general rule of investing is that the higher the risk, the higher the potential for gains as well as losses.

This simplified prospectus does not attempt to disclose all of the various types of securities and investment techniques that may be used by the Funds. As with any mutual fund, investors in the Funds rely on the professional investment judgment and skill of the advisers.

### **Specific risks of mutual funds**

The value of the investments a Fund holds can change for a number of reasons. This section tells you more about each risk and includes additional information about the Funds, their investments and related risks. Not all risks apply to all Funds.

Each Fund is subject to “call risk”, “convertible securities risk”, “corporate debt securities risk”, “credit risk”, “currency risk”, “cyber security risk”, “derivatives risk”, “emerging markets risk”, “Fannie Mae and Freddie Mac risk”, “foreign investment risk”, “inflation and deflation risk”, “interest rate risk”, “issuer non-diversification risk”, “LIBOR transition risk”, “management risk”, “market risk”, “mortgage-related and other asset-backed securities risk”, “series risk”, “short sale risk”, “significant unitholder risk” and “tax risk” (each as described below). Additional risks associated with an investment in Exchange Traded Series units of a Fund include “absence of an active market for Exchange Traded Series units risk”, “halted trading of Exchange Traded Series units risk” and “trading price of Exchange Traded Series units risk” (each as described below).

In addition to the foregoing, you'll find the specific risks of investing in each of the Funds in the individual fund descriptions.

#### ***Absence of an active market for Exchange Traded Series units risk***

Although Exchange Traded Series units of the Funds are listed on the TSX, there can be no assurance that an active public market for Exchange Traded Series units will develop or be sustained.

#### ***Asset allocation risk***

Some Funds use a “fund-of-fund” structure to allocate their assets among their underlying funds. Asset allocation is an investment strategy that aims to optimally apportion a portfolio's assets. A Fund is subject to risks related to a portfolio advisor's allocation choices. There is no guarantee that a Fund will be able to successfully allocate its assets. Similarly, there is no guarantee against losses that may result from those allocation decisions.

#### ***Borrowing risk***

From time to time, a Fund may borrow cash as a temporary measure to fund the portion of a distribution payable to its unitholders that represents amounts that are owing to, but have not yet been received by, the Fund. Each such Fund is limited to borrowing up to the amount of the portion of the distribution that represents, in the aggregate, amounts that are payable to the Fund but have not been received by the Fund and, in any event, not more than 5% of the net assets of that Fund.

There is a risk that a Fund will not be able to repay the borrowed amount because it is unable to collect the distribution from the applicable issuer. Under these circumstances, the Fund would repay the borrowed amount by disposing of portfolio assets.

### ***Call risk***

An issuer may exercise its right to redeem a fixed income security earlier than expected (a call). Issuers may call outstanding securities prior to their maturity for a number of reasons (e.g., declining interest rates, changes in credit spreads and improvements in the issuer's credit quality). If an issuer calls a security that a Fund has invested in, the Fund may not recoup the full amount of its initial investment and may be forced to reinvest in lower-yielding securities, securities with greater credit risks or securities with other, less favorable features.

### ***Commodity risk***

Some Funds invest directly or indirectly in commodities such as gold or silver. The net asset value of these Funds will be affected by changes in the price of gold and silver which may occur as a result of a number of factors, including supply and demand, speculation, central bank and international monetary activities, political or economic instability and changes in interest rates. The price of gold and silver may fluctuate significantly over a short period of time causing volatility in a Fund's net asset value.

### ***Convertible securities risk***

Convertible securities are fixed income securities, preferred stocks or other securities that are convertible into or exercisable for common stock of the issuer (or cash or securities of equivalent value) at either a stated price or a stated rate. The market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. A convertible security's market value, however, tends to reflect the market price of the common stock of the issuing company when that stock price approaches or is greater than the convertible security's "conversion price." The conversion price is defined as the predetermined price at which the convertible security could be exchanged for the associated stock. As the market price of the underlying common stock declines, the price of the convertible security tends to be influenced more by the yield of the convertible security. Thus, it may not decline in price to the same extent as the underlying common stock. In the event of a liquidation of the issuing company, holders of convertible securities would be paid before the company's common stockholders but after holders of any senior debt obligations of the company. Consequently, the issuer's convertible securities generally entail less risk than its common stock but more risk than its debt obligations.

Synthetic convertible securities involve the combination of separate securities that possess the two principal characteristics of a traditional convertible security (i.e., an income-producing component and a right to acquire an equity security). Synthetic convertible securities are often achieved, in part, through investments in warrants or options to buy common stock (or options on a stock index), and therefore are subject to the risks associated with derivatives. The value of a synthetic convertible security will respond differently to market fluctuations than a traditional convertible security because a synthetic convertible is composed of two or more separate securities or instruments, each with its own market value. Because the convertible component is typically

achieved by investing in warrants or options to buy common stock at a certain exercise price, or options on a stock index, synthetic convertible securities are subject to the risks associated with derivatives. In addition, if the value of the underlying common stock or the level of the index involved in the convertible component falls below the exercise price of the warrant or option, the warrant or option may lose all value.

Contingent convertible securities (“CoCos”) have no stated maturity, have fully discretionary coupons and are typically issued in the form of subordinated debt instruments. CoCos generally either convert into equity or have their principal written down upon the occurrence of certain triggering events (“triggers”) linked to regulatory capital thresholds or regulatory actions relating to the issuer’s continued viability. As a result, an investment by the Fund in CoCos is subject to the risk that coupon (i.e., interest) payments may be cancelled by the issuer or a regulatory authority in order to help the issuer absorb losses. An investment by the Fund in CoCos is also subject to the risk that, in the event of the liquidation, dissolution or winding-up of an issuer prior to a trigger event, the Fund’s rights and claims will generally rank junior to the claims of holders of the issuer’s other debt obligations. In addition, if CoCos held by the Fund are converted into the issuer’s underlying equity securities following a trigger event, the Fund’s holding may be further subordinated due to the conversion from a debt to equity instrument. Further, the value of an investment in CoCos is unpredictable and will be influenced by many factors and risks, including interest rate risk, credit risk, market risk and liquidity risk. An investment by the Fund in CoCos may result in losses to the Fund.

### ***Corporate debt securities risk***

Corporate debt securities are subject to the risk of the issuer’s inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity. When interest rates rise, the value of corporate debt securities can be expected to decline. Debt securities with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities.

### ***Credit risk***

A Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivatives contract, repurchase agreement or a loan of portfolio securities, is unable or unwilling, or is perceived (whether by market participants, ratings agencies, pricing services or otherwise) as unable or unwilling, to make timely principal and/or interest payments, or to otherwise honour its obligations. The downgrade of the credit of a security held by the Fund may decrease its value. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings.

### ***Currency risk***

If a Fund invests directly in foreign (non-Canadian) currencies or in securities that trade in, and receive revenues in, foreign (non-Canadian) currencies, or in derivatives that provide exposure to foreign (non-Canadian) currencies, it will be subject to the risk that those currencies will decline in value relative to the Canadian dollar, or, in the case of hedging positions, that the Canadian



dollar (or, for the US\$ Series, the U.S. dollar) will decline in value relative to the currency being hedged. While the use of hedging strategies limits investors from benefiting from changes in currency, it also may limit currency risk.

Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention (or the failure to intervene) by Canadian or foreign governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments in Canada or abroad. As a result, a Fund's investments in foreign currency denominated securities may reduce the returns of the Fund.

### ***Cyber security risk***

As the use of technology has become more prevalent in the course of business, the Funds have become potentially more susceptible to operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause a Fund to lose proprietary information, suffer data corruption, or lose operational capacity. This in turn could cause a Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Cyber security breaches may involve unauthorized access to a Fund's digital information systems (e.g., through "hacking" or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). In addition, cyber security breaches of a Fund's third party service providers (e.g., administrators, transfer agents, custodians and sub-advisers) or issuers that a Fund invests in can also subject a Fund to many of the same risks associated with direct cyber security breaches. Like with operational risk in general, the Manager has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially since the Manager does not directly control the cyber security systems of issuers or third party service providers.

### ***Derivatives risk***

Derivatives are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. A Fund's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Derivatives are subject to a number of risks described elsewhere in this section, such as liquidity risk, interest rate risk, market risk, credit risk and management risk. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. A Fund investing in a derivative instrument could lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that a Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial. Use of derivatives by a Fund may increase volatility.

Like most other investments, derivative instruments are also subject to the risk that the market value of the instrument will change in a way detrimental to a Fund's interest. If a portfolio manager incorrectly forecasts the values of securities, currencies or interest rates or other economic factors

in using derivatives for a Fund, the Fund might have been in a better position if it had not entered into the transaction at all. While some strategies involving derivative instruments can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other Fund investments. A Fund may also have to buy or sell a security at a disadvantageous time or price because the Fund is legally required to maintain offsetting positions or asset coverage in connection with certain derivatives transactions.

Many derivatives, in particular privately negotiated derivatives, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to a Fund. Also, the value of derivatives may not correlate perfectly, or at all, with the value of the assets, reference rates or indexes they are designed to closely track. For example, a swap agreement on an exchange traded fund would not correlate perfectly with the index upon which the exchange traded fund is based because the fund's return is net of fees and expenses. Certain derivatives, including OTC derivatives, are subject to counterparty risk – the risk that the counterparty or issuer of the derivative may not be able to fulfill its obligations, that the holder and counterparty or issuer may disagree as to the meaning or application of contractual terms, or that the instrument may not perform as expected. Furthermore, while derivatives may be listed on an exchange, there is no guarantee that a liquid market will exist or that the counterparty or issuer of a derivative will be willing to repurchase such instrument when a Fund wishes to sell it.

The regulation of the derivatives markets has increased over the last few years, and additional future regulation of the derivatives markets may make derivatives more costly, may limit the availability of derivatives, or may otherwise adversely affect the value or performance of derivatives. Any such adverse future developments could impair the effectiveness of a Fund's derivative transactions and cause the Fund to lose value.

### ***Distressed company risk***

A Fund's investments in securities of distressed companies may be subject to greater levels of credit, issuer and liquidity risk than a Fund that does not invest in such securities. Securities of distressed companies include both debt and equity securities. Debt securities of distressed companies are considered predominately speculative with respect to the issuer's continuing ability to make principal and interest payments. Issuers of distressed company securities may also be involved in restructurings or bankruptcy proceedings that may not be successful. An economic downturn or period of rising interest rates could adversely affect the market for these securities and reduce a Fund's ability to sell these securities (liquidity risk). If the issuer of a debt security is in default with respect to interest or principal payments, the Fund may lose its entire investment.

### ***Emerging markets risk***

Foreign investment risk may be particularly high to the extent that a Fund invests in emerging market securities that are economically tied to countries with developing economies. These securities may present market, credit, currency, liquidity, legal, political and other risks different from, or greater than, the risks of investing in developed foreign (non-Canadian) countries.

Each Fund may invest in foreign (non-Canadian) securities and instruments that are economically tied to emerging market countries. We generally consider an instrument to be economically tied to an emerging market country if the issuer or guarantor is a government of an emerging market country (or any political subdivision, agency, authority or instrumentality of such government), if the issuer or guarantor is organized under the laws of an emerging market country, or if the currency of settlement of the security is a currency of an emerging market country. With respect to derivative instruments, we generally consider such instruments to be economically tied to emerging market countries if the underlying assets are currencies of emerging market countries (or baskets or indexes of such currencies), or instruments or securities that are issued or guaranteed by governments of emerging market countries or by entities organized under the laws of emerging market countries. We have broad discretion to identify countries that we consider to qualify as emerging markets. In making investments in emerging market securities, a Fund emphasizes those countries with relatively low gross national product per capita and with the potential for rapid economic growth. Emerging market countries are generally located in Asia, Africa, the Middle East, Latin America and Eastern Europe. We will select the country and currency composition based on its evaluation of relative interest rates, inflation rates, exchange rates, monetary and fiscal policies, trade and current account balances, legal and political developments and any other specific factors we believe to be relevant.

Investing in emerging market securities imposes risks different from, or greater than, risks of investing in domestic securities or in foreign, developed countries. These risks include: smaller market capitalization of securities markets, which may suffer periods of relative illiquidity; significant price volatility; restrictions on foreign investment; possible repatriation of investment income and capital. In addition, foreign investors may be required to register the proceeds of sales; future economic or political crises could lead to price controls, forced mergers, expropriation or confiscatory taxation, seizure, nationalization, or creation of government monopolies. The currencies of emerging market countries may experience significant declines against the U.S. dollar, and devaluation may occur subsequent to investments in these currencies by a Fund. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging market countries.

Additional risks of emerging market securities may include: greater social, economic and political uncertainty and instability; more substantial governmental involvement in the economy; less governmental supervision and regulation; unavailability of currency hedging techniques; companies that are newly organized and small; differences in auditing and financial reporting standards, which may result in unavailability of material information about issuers; and less developed legal systems. In addition, emerging securities markets may have different clearance and settlement procedures, which may be unable to keep pace with the volume of securities transactions or otherwise make it difficult to engage in such transactions. Settlement problems may cause a Fund to miss attractive investment opportunities, hold a portion of its assets in cash pending investment, or be delayed in disposing of a portfolio security. Such a delay could result in possible liability to a purchaser of the security.

### ***Equity risk***

Equity securities represent an ownership interest, or the right to acquire an ownership interest, in an issuer. Equity securities also include, among other things, preferred stocks, convertible stocks

and warrants. The values of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities.

### ***Fannie Mae and Freddie Mac risk***

The Funds have received permission to invest more than 10% of their assets in Fannie and Freddie Securities. Fannie Mae and Freddie Mac are U.S. government-sponsored enterprises that provide liquidity to the U.S. residential mortgage market by issuing securities and using the proceeds primarily to purchase mortgages from financial institutions. Fannie and Freddie Securities are not expressly guaranteed by the U.S. government, but are widely believed to be implicitly guaranteed by the U.S. government and have the same credit rating as the U.S. government. If Fannie Mae or Freddie Mac default on their obligations, there is a risk that the U.S. government will not guarantee payment of those obligations. Any Fund that holds Fannie and Freddie Securities has credit risk. This risk is greater for a Fund that invests more than 10% of its assets in the securities of Fannie Mae or Freddie Mac because of the concentration of the Fund's assets in these securities.

### ***Foreign investment risk***

Each Fund may invest in securities and instruments that are economically tied to foreign (non-Canadian) countries. We generally consider an instrument to be economically tied to a foreign country if the issuer is a foreign government (or any political subdivision, agency, authority or instrumentality of such government), or if the issuer is organized under the laws of a foreign country. In the case of certain money market instruments, such instruments will be considered economically tied to a foreign country if either the issuer or the guarantor of such money market instrument is organized under the laws of a foreign country. With respect to derivative instruments, we generally consider such instruments to be economically tied to foreign countries if the underlying assets are foreign currencies (or baskets or indexes of such currencies), or instruments or securities that are issued by foreign governments or issuers organized under the laws of a foreign country (or if the underlying assets are certain money market instruments, if either the issuer or the guarantor of such money market instruments is organized under the laws of a foreign country).

Investing in foreign securities involves special risks and considerations not typically associated with investing in Canadian securities. A Fund that invests in foreign (non-Canadian) securities may experience more rapid and extreme changes in value than a Fund that invests exclusively in securities of Canadian companies. The securities markets of many foreign countries are relatively small, with a limited number of companies representing a small number of industries. Additionally, issuers of foreign securities are usually not subject to the same degree of regulation as Canadian issuers. Reporting, accounting and auditing standards of foreign countries differ, in some cases significantly, from Canadian standards. Also, nationalization, expropriation or confiscatory taxation, currency blockage, political changes or diplomatic developments could adversely affect a Fund's investments in a foreign country. In the event of nationalization, expropriation or other confiscation, a Fund could lose its entire investment in foreign securities. Adverse conditions in a

certain region can adversely affect securities of other countries whose economies appear to be unrelated. To the extent that a Fund invests a significant portion of its assets in a specific geographic region, the Fund will generally have more exposure to regional economic risks associated with foreign investments.

Investment income received by the Funds from sources within foreign countries may be subject to foreign income tax withheld at the source. Any foreign withholding taxes could reduce a Fund's distributions paid to you. Canada has entered into tax treaties with certain foreign countries which may entitle the Funds to a reduced rate of tax on such income. Some countries require the filing of a tax reclaim or other forms to receive the benefit of the reduced tax rate. Whether or when a Fund will receive the tax reclaim is within the control of the particular foreign country. Information required on these forms may not be available (such as unitholder information); therefore, the Fund may not receive the reduced treaty rates or potential reclaims. Certain countries have conflicting and changing instructions and restrictive timing requirements which may cause a Fund not to receive the reduced treaty rates or potential reclaims. Certain countries may subject capital gains realized by a Fund on sale or disposition of certain securities to taxation in that country. In some instances it may be more costly to pursue tax reclaims than the value of the benefits received by a Fund. If a Fund obtains a refund of foreign taxes, the net asset value of the Fund will not be restated and the amount will remain in the Fund to the benefit of the then-existing unitholders.

Investors should consider carefully the substantial risks involved for Funds that invest in securities issued by foreign companies and governments of foreign countries. These risks include: differences in accounting, auditing and financial reporting standards; generally higher commission rates on foreign portfolio transactions; the possibility of nationalization, expropriation or confiscatory taxation; adverse changes in investment or exchange control regulations; and political instability. Individual foreign economies may differ favourably or unfavourably from the Canadian economy in such respects as growth of gross domestic product, rates of inflation, capital reinvestment, resources, self-sufficiency and balance of payments position. The securities markets, values of securities, yields and risks associated with foreign securities markets may change independently of each other. Foreign securities often trade with less frequency and volume than domestic securities and therefore may exhibit greater price volatility. Investments in foreign securities may also involve higher custodial costs than domestic investments and additional transaction costs with respect to foreign currency conversions. Changes in foreign exchange rates also will affect the value of securities denominated or quoted in foreign currencies. Certain Funds also may invest in sovereign debt issued by governments, their agencies or instrumentalities, or other government-related entities. Holders of sovereign debt may be requested to participate in the rescheduling of such debt and to extend further loans to governmental entities. In addition, there is no bankruptcy proceeding by which defaulted sovereign debt may be collected.

### ***Halted trading of Exchange Traded Series units risk***

Trading of Exchange Traded Series units on certain marketplaces may be halted by the activation of individual or market-wide "circuit breakers" (which halt trading for a specific period of time when the price of a particular security or overall market prices decline or increase by a specified percentage). In the case of the TSX, trading of Exchange Traded Series units may also be halted if: (i) the Exchange Traded Series units are delisted from the TSX without first being listed on

another exchange; or (ii) TSX officials determine that such action is appropriate in the interest of a fair and orderly market or to protect unitholders.

### ***High yield risk***

Funds that invest in high yield securities and unrated securities of similar credit quality (commonly known as “junk bonds”) may be subject to greater levels of credit and liquidity risk than Funds that do not invest in such securities. These securities are considered predominately speculative with respect to the issuer’s continuing ability to make principal and interest payments. An economic downturn or period of rising interest rates could adversely affect the market for these securities and reduce a Fund’s ability to sell these securities (liquidity risk). If the issuer of a security is in default with respect to interest or principal payments, a Fund may lose its entire investment. Because of the risks involved in investing in high yield securities, an investment in a Fund that invests in such securities should be considered speculative.

### ***Indexing risk***

Certain funds, including certain ETFs, use a variety of indexing strategies or have exposure to underlying funds that use indexing strategies. Indexing strategies involve tracking the performance of the index by tracking the performance of the investments included in the index. There is a risk that the fund or ETF’s performance may not track the performance of the index it is designed to track because, unlike the index, the fund or ETF incurs administrative expenses and transaction costs in trading securities. In addition, the timing and magnitude of cash inflows and outflows from and to investors buying and redeeming shares in the fund or ETF could create cash balances that cause the fund or ETF’s performance to deviate from the index (which remains “fully invested” at all times). Finally, performance of a fund or ETF and the index it is designed to track also may diverge because the composition of the index and the securities held by the fund or ETF may occasionally differ.

Also, a fund or ETF, in tracking the performance of the index, may have more of its assets concentrated in one or more issuers than would ordinarily be permitted by a mutual fund. In addition, prices of securities on an index tend to move together. Such concentration means that the fund or ETF may be more volatile than a more diversified fund. Finally, if required to follow an index, a fund or ETF must continue to invest in the securities of the index, regardless of the performance of the index, so the fund or ETF cannot reduce risk by investing in securities on another index.

### ***Inflation and deflation risk***

The Funds may be subject to inflation and deflation risk. Inflation risk is the risk that the present value of assets or income of a Fund will be worth less in the future as inflation decreases the present value of money. A Fund’s dividend rates or borrowing costs, where applicable, may also increase during periods of inflation. This may further reduce Fund performance. Deflation risk is the risk that prices throughout the economy decline over time creating an economic recession, which could make issuer default more likely and may result in a decline in the value of a Fund’s assets.

### ***Infrastructure risk***

To the extent a Fund invests in infrastructure entities, projects and assets, the Fund may be sensitive to adverse economic, regulatory, political or other developments. Infrastructure entities may be subject to a variety of events that adversely affect their business or operations, including service interruption due to environmental damage, operational issues, access to and the cost of obtaining capital, and regulation by various governmental authorities. There are substantial differences between regulatory practices and policies in various jurisdictions, and any given regulatory authority may take actions that affect the regulation of instruments or assets in which a Fund invests, or the issuers of such instruments, in ways that are unforeseeable. Infrastructure entities, projects and assets may be subject to changes in government regulation of rates charged to customers, government budgetary constraints, the imposition of tariffs and tax laws, and other regulatory policies. Additional factors that may affect the operations of infrastructure entities, projects and assets include innovations in technology that affect the way a company delivers a product or service, significant changes in the use or demand for infrastructure assets, terrorist acts or political actions, and general changes in market sentiment towards infrastructure assets. A Fund may invest in entities and assets that may share common characteristics, are often subject to similar business risks and regulatory burdens, and whose instruments may react similarly to various events that are unforeseeable.

### ***Interest rate risk***

Interest rate risk is the risk that fixed income securities and other instruments in a Fund's portfolio will decline in value because of an increase in interest rates. As nominal interest rates rise, the value of certain fixed income securities held by a Fund is likely to decrease. A nominal interest rate can be described as the sum of a real interest rate and an expected inflation rate. Fixed income securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations. The values of equity and other non-fixed income securities may also decline due to fluctuations in interest rates. Inflation indexed bonds decline in value when real interest rates rise. In certain interest rate environments, such as when real interest rates are rising faster than nominal interest rates, inflation indexed bonds may experience greater losses than other fixed income securities with similar durations.

Variable and floating rate securities generally are less sensitive to interest rate changes but may decline in value if their interest rates do not rise as much, or as quickly, as interest rates in general. Conversely, floating rate securities will not generally increase in value if interest rates decline. Inverse floating rate securities may decrease in value if interest rates increase. Inverse floating rate securities may also exhibit greater price volatility than a fixed rate obligation with similar credit quality. When a Fund holds variable or floating rate securities, a decrease (or, in the case of inverse floating rate securities, an increase) in market interest rates will adversely affect the income received from such securities and the net asset value of the Fund's units.

### ***Issuer non-diversification risk***

Focusing investments in a small number of issuers, industries or foreign currencies increases risk. Funds that are "non-diversified" may invest a greater percentage of their assets in the securities of a single issuer (such as bonds issued by a particular sovereign) than funds that are "diversified."

Funds that invest in a relatively small number of issuers are more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be. Some of those issuers also may present substantial credit or other risks.

### ***Issuer risk***

The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services, as well as the historical and prospective earnings of the issuer and the value of its assets.

### ***LIBOR transition risk***

Certain instruments in which a Fund may invest rely in some fashion upon the London Interbank Offered Rate ("LIBOR"). LIBOR is an average interest rate, determined by the ICE Benchmark Administration, that banks charge one another for the use of short-term money. The United Kingdom's Financial Conduct Authority, which regulates LIBOR, has announced plans to phase out the use of LIBOR by the end of 2021. Although the transition process away from LIBOR has become increasingly well-defined in advance of the anticipated discontinuation date, there remains uncertainty regarding the future utilization of LIBOR and the nature of any replacement rate. Any potential effects of the transition away from LIBOR on a Fund or on certain instruments in which a Fund invests can be difficult to ascertain, and they may vary depending on factors that include, but are not limited to: (i) existing fallback or termination provisions in individual contracts and (ii) whether, how, and when industry participants develop and adopt new reference rates and fallbacks for both legacy and new products and instruments. For example, certain of a Fund's investments may involve individual contracts that have (i) no existing fallback provision or language that contemplates the discontinuation of LIBOR or (ii) inadequate fallback provisions or language that does not contemplate a permanent discontinuation of LIBOR, and those investments could experience increased volatility or reduced liquidity as a result of the transition process. In addition, interest rate provisions included in such contracts may need to be renegotiated in contemplation of the transition away from LIBOR. The transition may also result in a reduction in the value of certain instruments held by a Fund or a reduction in the effectiveness of related Fund transactions such as hedges. In addition, an instrument's transition to a replacement rate could result in variations in the reported yields of a Fund that holds such instrument. Any such effects of the transition away from LIBOR, as well as other unforeseen effects, could result in losses to a Fund.

### ***Liquidity risk***

Liquidity is a measure of how quickly an investment can be sold for cash at a fair market price. If a Fund can't sell an investment quickly, it may lose money or make a lower profit, especially if it has to meet a large number of redemption requests. In general, investments in smaller companies, smaller markets or certain sectors of the economy tend to be less liquid than other types of investments. The less liquid an investment, the more its value tends to fluctuate.

Liquidity risk exists when particular investments are difficult to purchase or sell. Illiquid securities are securities that cannot be readily disposed of through market facilities on which public quotations in common use are widely available at an amount that at least approximately the value



at which the Fund has valued the securities or which are otherwise subject to legal or contractual restrictions on resale. A Fund's investments in illiquid securities may reduce the returns of the Fund because it may be unable to sell the illiquid securities at an advantageous time or price. Additionally, the market for certain investments may become illiquid under adverse market or economic conditions independent of any specific adverse changes in the conditions of a particular issuer. In such cases, a Fund, due to limitations on investments in illiquid securities and the difficulty in purchasing and selling such securities or instruments, may be unable to achieve its desired level of exposure to a certain sector. To the extent that a Fund's principal investment strategies involve foreign (non-Canadian or U.S.) securities, derivatives or securities with substantial market and/or credit risk, the Fund will tend to have the greatest exposure to liquidity risk.

A Fund may invest up to 10% of its net assets in illiquid securities. Certain illiquid securities may require pricing at fair value. A portfolio manager may be subject to significant delays in disposing of illiquid securities, and transactions in illiquid securities may entail prospectus expenses and other transaction costs that are higher than those for transactions in liquid securities. Restricted securities, i.e., securities subject to legal or contractual restrictions on resale, may be illiquid.

### ***Management risk***

Each Fund is subject to management risk because it is an actively managed investment portfolio. We will apply investment techniques and risk analyses in making investment decisions for the Funds, but there can be no guarantee that these decisions will produce the desired results. Additionally, legislative, regulatory, or tax restrictions, policies or developments may affect the investment techniques available to us in connection with managing the Funds and may also adversely affect the ability of the Funds to achieve their investment objectives.

### ***Market risk***

The market price of securities owned by a Fund may go up or down, occasionally rapidly or unpredictably. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company or issuer, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. It may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry.

In addition to changes in the condition of markets generally, unexpected and unpredictable events such as war, a widespread health crisis or global pandemic, terrorism and related geopolitical risks may lead to increased market volatility in the short term and may have adverse more general long-term effects on world economies and markets, including U.S., Canadian and other economies and securities markets. These events could reduce consumer demand or economic output, result in market closures, travel restrictions or quarantines, and significantly adversely impact the economy. These types of unexpected and unpredictable events could have a significant impact on a Fund and its investments and could also result in fluctuations in the value of a Fund.

During a general downturn in the securities markets, multiple asset series may decline in value simultaneously. Equity securities generally have greater price volatility than fixed income securities.

### ***Mortgage-related and other asset-backed securities risk***

Mortgage-related securities include mortgage pass-through securities, collateralized mortgage obligations (“CMOs”), commercial mortgage-backed securities, mortgage dollar rolls, CMO residuals, stripped mortgage-backed securities (“SMBSs”) and other securities that directly or indirectly represent a participation in, or are secured by and payable from, mortgage loans on real property. Collateralized debt obligations include collateralized bond obligations (“CBOs”), collateralized loan obligations (“CLOs”) and other similarly structured securities. CBOs and CLOs are types of asset-backed securities. A CBO is a trust which is backed by a diversified pool of high risk, below investment grade fixed income securities. A CLO is a trust typically collateralized by a pool of loans, which may include, among others, domestic and foreign senior secured loans, senior unsecured loans, and subordinate corporate loans, including loans that may be rated below investment grade or equivalent unrated loans.

Mortgage-related and other asset-backed securities often involve risks that are different from or more acute than risks associated with other types of debt instruments. Generally, rising interest rates tend to extend the duration of fixed rate mortgage-related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, if a Fund holds mortgage-related securities, it may exhibit additional volatility. This is known as extension risk. In addition, adjustable and fixed rate mortgage related securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns of a Fund because the Fund may have to reinvest that money at the lower prevailing interest rates. A Fund’s investments in other asset-backed securities are subject to risks similar to those associated with mortgage-related securities, as well as additional risks associated with the nature of the assets and the servicing of those assets.

The value of some mortgage- or asset-backed securities may be particularly sensitive to changes in prevailing interest rates. Early repayment of principal on some mortgage-related securities may expose a Fund to a lower rate of return upon reinvestment of principal. When interest rates rise, the value of a mortgage-related security generally will decline; however, when interest rates are declining, the value of mortgage-related securities with prepayment features may not increase as much as other fixed income securities. The rate of prepayments on underlying mortgages will affect the price and volatility of a mortgage-related security, and may shorten or extend the effective maturity of the security beyond what was anticipated at the time of purchase. If unanticipated rates of prepayment on underlying mortgages increase the effective maturity of a mortgage-related security, the volatility of the security can be expected to increase. The value of these securities may fluctuate in response to the market’s perception of the creditworthiness of the issuers. Additionally, although mortgages and mortgage-related securities are generally supported by some form of government or private guarantee and/or insurance, there is no assurance that private guarantors or insurers will meet their obligations.

One type of SMBS has one class receiving all of the interest from the mortgage assets (the interest-only, or “IO” class), while the other class will receive all of the principal (the principal-only, or

“PO” class). The yield to maturity on an IO class is extremely sensitive to the rate of principal payments (including prepayments) on the underlying mortgage assets, and a rapid rate of principal payments may have a material adverse effect on a Fund’s yield to maturity from these securities.

### ***Real estate risk***

A Fund that invests in real estate-linked derivative instruments is subject to risks similar to those associated with direct ownership of real estate, including losses from casualty or condemnation, and changes in local and general economic conditions, supply and demand, interest rates, zoning laws, regulatory limitations on rents, property taxes and operating expenses. An investment in a real estate-linked derivative instrument that is linked to the value of a real estate investment trust (“REIT”) is subject to additional risks, such as poor performance by the manager of the REIT, adverse changes to the tax laws or failure by the REIT to qualify as a real estate investment trust for purposes of the Tax Act or qualify for tax-free pass-through of income under the U.S. tax laws. In addition, some REITs have limited diversification because they invest in a limited number of properties, a narrow geographic area, or a single type of property. Also, the organizational documents of a REIT may contain provisions that make changes in control of the REIT difficult and time-consuming.

### ***Sanctioned countries investment risk***

Certain Funds may invest in securities and instruments that are economically tied to countries subject to or at risk of economic sanctions (including Russia). Investing in these countries presents additional risks. In particular, investments in these countries are subject to the risk that Canada and/or other countries may impose economic sanctions. Such sanctions – which may impact companies in many sectors, including energy, financial services and defense, among others – may negatively impact a Fund’s performance and/or ability to achieve its investment objective. For example, certain investments in Russian companies or instruments tied to Russian companies may be prohibited and/or existing investments may become illiquid (e.g., in the event that the Funds are prohibited from transacting in certain existing investments tied to Russia), which could cause a Fund to sell other portfolio holdings at a disadvantageous time or price in order to meet unitholder redemptions. It is also possible that such sanctions may prevent Canadian-based entities that provide services to the Funds from transacting with entities domiciled in countries subject to or at risk of economic sanctions. Under such circumstances, the Funds may not receive payments due with respect to certain investments, such as the payments due in connection with a Fund’s holding of a fixed income security. More generally, investing in securities and instruments economically tied to countries subject to or at risk of economic sanctions is highly speculative and involves significant risks and special considerations not typically associated with investing in the securities markets of Canadian and most other developed countries, including the risk of a return to a centrally planned economy and nationalization of private enterprises similar to what existed under the old Soviet Union.

### ***Series risk***

The Funds are available in more than one series of units. Each series has its own fees and expenses, which the Fund tracks separately. If, for any reason, a Fund cannot pay the expenses of one series using its proportionate share of the Fund’s assets, the Fund will be required to pay those expenses

out of the other series' proportionate share of the assets. This could lower the investment return of the other series.

Hedging and other derivatives transactions will be clearly attributable to a specific series. The costs and gains/losses of these transactions will accrue solely to the relevant series and will be reflected in the net asset value per unit of that series. However, investors should note that there is no segregation of liability between series of units. Unitholders therefore are exposed to the risk that hedging transactions undertaken in one series may impact unfavorably the net asset value of another series.

### ***Short sale risk***

A Fund's short sales, if any, are subject to special risks. A short sale involves the sale by the Fund of a security that it does not own with the hope of purchasing the same security at a later date at a lower price. A Fund may also enter into a short derivative position through a futures contract or swap agreement. If the price of the security or derivative has increased during this time, then the Fund will incur a loss equal to the increase in price from the time that the short sale was entered into plus any premiums and interest paid to the third party. Therefore, short sales involve the risk that losses may be exaggerated, potentially losing more money than the actual cost of the investment. Also, there is the risk that the third party to the short sale may fail to honour its contract terms, causing a loss to the Fund. The Fund may also experience difficulties in repurchasing the borrowed securities if a liquid market for the securities does not exist.

### ***Significant unitholder risk***

The purchase or redemption of a significant number of units of a Fund may require the portfolio adviser to change the composition of the Fund's portfolio significantly or may force the portfolio adviser to buy or sell investments at unfavourable prices, which can affect the Fund's performance.

If a Fund experiences a "loss restriction event" (i) the Fund will be deemed to have a year-end for tax purposes, and (ii) the Fund will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, a Fund will be subject to a loss restriction event when a person becomes a "majority-interest beneficiary" of the Fund, or a group of persons becomes a "majority-interest group of beneficiaries" of the Fund, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of a Fund will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, respectively, in the Fund. A person is deemed not to become a majority-interest beneficiary, and a group of persons is deemed not to become a majority-interest group of beneficiaries, of a Fund, if the Fund meets certain investment requirements and qualifies as an "investment fund" for purposes of the loss restriction event rules.

### ***Tax risk***

There can be no assurance that the tax laws applicable to the Funds, including the treatment of certain gains and losses as capital gains and losses, will not be changed in a manner which could

adversely affect the Funds or the unitholders of the Funds. Furthermore, there can be no assurance that the Canada Revenue Agency (“CRA”) will agree with the Manager’s characterization of the gains and losses of the Funds as capital gains and losses or ordinary income and losses in specific circumstances. If any transactions of a Fund are reported by it on capital account but are subsequently determined by the CRA to be on income account, there may be an increase in the net income of the Fund for tax purposes, and the taxable distributions made by the Fund to unitholders, with the result that unitholders could be reassessed by CRA to increase their taxable income. A reassessment by the CRA may also result in a Fund being liable for unremitted withholding tax on prior distributions to non-resident unitholders. Such liability may reduce the net asset value of the units of the Fund.

The Tax Act contains rules concerning the taxation of publicly traded Canadian trusts and partnerships (defined as “SIFT trusts” or “SIFT partnerships”, respectively) that own certain types of property defined as “non-portfolio property” (the “SIFT Rules”). A Fund that offers Exchange Traded Series units will be a “SIFT trust” for purposes of the SIFT Rules if it holds a “non-portfolio property” (as defined in the Tax Act), or holds derivative instruments held in its portfolio or any other property in the course of carrying on business in Canada. A Fund that is subject to the SIFT Rules will generally be subject to tax at Canadian corporate income tax rates on income from a non-portfolio property and net taxable capital gains realized on the disposition of a non-portfolio property. Distributions of such income received by unitholders of SIFT trusts (and allocations of such income made to members of SIFT partnerships) are treated as eligible dividends from a taxable Canadian corporation. If a Fund is considered to be a SIFT trust, the total of the tax payable on its non-portfolio earnings and the tax payable by a unitholder on the distribution of those earnings will generally be more than the tax that would have been payable in the absence of the application of the SIFT Rules; particularly in the case of registered plans. Each Fund that offers Exchange Traded Series units is expected to restrict its investments and activities so its non-portfolio earnings and thus SIFT tax liability is immaterial for each taxation year; however, no assurance can be given in this regard.

#### ***Trading price of Exchange Traded Series units risk***

Exchange Traded Series units may trade in the market at a premium or discount to the net asset value per unit. There can be no assurance that Exchange Traded Series units will trade at prices that reflect their net asset value per unit. The trading price of Exchange Traded Series units will fluctuate in accordance with changes in a Fund’s net asset value, as well as market supply and demand on the TSX (or such other exchange or marketplace on which Exchange Traded Series units of a Fund may be traded from time to time). However, as Designated Brokers and ETF Dealers subscribe for and exchange Prescribed Number of Units (as defined below) at the net asset value per unit, large discounts or premiums to net asset value should not be sustained.

#### ***Underlying exchange traded funds risk***

An investment in index ETFs might not exactly replicate the performance of the applicable index due to transaction costs, taxes, or temporary unavailability of certain securities or instruments in the secondary market. These index ETFs are subject to indexing risk. Certain ETFs track an underlying index that is one or a combination of futures contracts for delivery at some point in the future. These ETFs are subject to derivatives risk. ETFs that gain exposure to physical

commodities (e.g., gold or silver) are subject to risks of loss, damage or credit risk of the counterparties and/or vendors of the physical commodity. ETFs may also be subject to currency risk. ETF securities may trade below, at, or above their respective net asset values per unit. The trading prices of the ETF securities will fluctuate in accordance with changes in the applicable ETF's net asset value per unit, as well as market supply and demand on the respective stock exchanges.

## Organization and management of the Funds

### **Manager**

PIMCO Canada Corp.  
Commerce Court West,  
199 Bay Street, Suite 2050,  
Toronto, Ontario M5L 1G2

As investment fund manager, we are responsible for the overall business and operation of the Funds. This includes:

- arranging for portfolio advisory services
- providing or arranging for administrative services.

PIMCO Canada Corp. is indirectly majority owned by Allianz SE.

### **Promoter**

PIMCO Canada Corp.  
Toronto, Ontario

We have taken the initiative in founding and organizing the Funds and are, accordingly, the promoter of the Funds.

### **Trustee**

State Street Trust Company Canada  
Toronto, Ontario

As trustee, State Street Trust Company Canada holds legal title to the assets of the Fund.

### **Custodian**

State Street Trust Company Canada  
Toronto, Ontario

The custodian holds the investments of the Funds and keeps them safe to ensure that they are used only for the benefit of investors.

### **Registrar & Transfer Agent**

*Mutual Fund Series:*  
International Financial Data Services  
(Canada) Limited  
Toronto, Ontario

As registrar and transfer agent for the Mutual Fund Series, International Financial Data Services (Canada) Limited makes arrangements to keep a record of all unitholders of the Mutual Fund Series, and processes orders.

### *Exchange Traded Series:*

State Street Trust Company Canada  
Toronto, Ontario

As registrar and transfer agent for the Exchange Traded Series, State Street Trust Company Canada makes arrangements to keep a record of all unitholders of the Exchange Traded Series, and processes orders.

### **Fund Administrator**

State Street Trust Company Canada  
Toronto, Ontario

The fund administrator is responsible for certain aspects of the day-to-day administration of Exchange Traded Series units, including net asset value calculations, accounting for net income and net realized capital gains of Exchange Traded Series units and maintaining books and records with respect to Exchange Traded Series units for each applicable Fund.

### **Auditor**

PricewaterhouseCoopers LLP  
Toronto, Ontario

The auditor is an independent firm of chartered professional accountants. The firm audits the annual financial statements of the Funds.

The approval of unitholders will not be obtained before making a change to the auditor of a Fund.

Unitholders will be sent a written notice at least 60 calendar days before the effective date of any such change.

**Portfolio adviser**

PIMCO Canada Corp.  
Toronto, Ontario

The portfolio adviser makes the investment decisions for a Fund, buys and sells the investments for the Fund's portfolio and manages the portfolio.

**Sub-adviser**

Pacific Investment Management Company  
LLC  
Newport Beach, California

PIMCO Canada has retained PIMCO to provide investment advice and make the investment decisions for the Funds. PIMCO Canada is responsible for the investment advice provided by PIMCO and is responsible to the Funds for losses caused by a breach by PIMCO of the standard of care required by Canadian securities rules.

PIMCO is located outside of Canada, which may make it difficult to enforce legal rights against them.

**Independent Review Committee**

In accordance with National Instrument 81-107 *Independent Review Committee for Investment Funds*, PIMCO Canada, as investment fund manager of the Funds, has established an IRC, with a mandate to review, or in certain circumstances, to approve, conflict of interest matters that we refer to the IRC.

The IRC is currently composed of four members and each member is independent of the Funds and us. The IRC will prepare, for each financial year of the Funds, a report to unitholders that describes the IRC and its activities for the financial year. Unitholders can get a copy of this report, at no cost, by visiting the PIMCO Canada website at [www.pimco.ca](http://www.pimco.ca), by calling toll-free 1-877-506-8126 (416 506-8187 in Toronto) or by visiting [www.sedar.com](http://www.sedar.com).

In certain circumstances, in place of you approving a fund merger, the IRC has been permitted under securities legislation to approve a fund merger. In these circumstances, you will receive written notice of any proposed fund merger at least 60 days prior to the effective date of the merger.



Additional information about the IRC, including the names of its members, is available in the Funds' annual information form.

## **Fund of Funds**

Each Fund (the “Top Fund”) may invest in other mutual funds, including mutual funds managed by PIMCO Canada (the “underlying fund”).

Where PIMCO Canada is the manager of both a Top Fund and an underlying fund, it will not vote the securities of the underlying fund held directly by the Top Fund. Instead, where applicable, PIMCO Canada may arrange for such securities to be voted by the beneficial unitholders of the applicable Top Fund.

## **Purchases, switches and redemptions**

### **Series of units**

Each series of units is intended for different kinds of investors as follows:

*Series A and Series A(US\$):* Series A units and Series A(US\$) units are available to all investors.

*Series F and Series F(US\$):* Series F units and Series F(US\$) units are for investors who are participants in a fee-for-service or wrap account program sponsored by certain registered dealers or investors investing through their discount brokerage accounts. Series F units and Series F(US\$) units can be purchased under this simplified prospectus only through your registered representative who has obtained the consent of PIMCO Canada to offer Series F units or Series F(US\$) units or through discount brokerage accounts. Participation in the offering of Series F units or Series F(US\$) units by a registered dealer is subject to terms and conditions relating to the distribution of Series F units or Series F(US\$) units, including the requirement of your registered representative to notify PIMCO Canada if you are no longer enrolled in the fee-for-service or wrap account program or with the discount broker.

If PIMCO Canada is notified that you no longer meet the eligibility criteria, we will redeem or reclassify your Series F units or Series F(US\$) units in accordance with the instructions from your registered representative. In the absence of instructions, we may automatically redeem your Series F units or Series F(US\$) units or reclassify them to Series A units or Series A(US\$) units, as applicable. A redemption is a disposition for tax purposes. If you hold your units in a non-registered account, you may realize a capital gain or loss. Capital gains are taxable. See *Income Tax Considerations for Investors* for more details.

*Series H:* Series H units are only available to eligible institutional investors and other qualified investors as determined by PIMCO Canada and investors in model portfolios with dealers who have an agreement with us. Management fees are paid by the Fund in respect of Series H units.

If PIMCO Canada is notified that you no longer meet the eligibility criteria, we will redeem or reclassify your Series H units in accordance with the instructions from your registered representative. In the absence of instructions, we may automatically redeem your Series H units or

reclassify them to another series for which you qualify (likely Series F). A redemption is a disposition for tax purposes. If you hold your units in a non-registered account, you may realize a capital gain or loss. Capital gains are taxable. See *Income Tax Considerations for Investors* for more details.

*Series I and Series I(US\$)*: Series I units and Series I(US\$) units are only available to eligible institutional investors and other qualified investors through dealers who have an agreement with us and who will invest a minimum of \$10 million into a single Fund. If investors do not meet the minimum amount within a reasonable period of time, their Series I units are switched into another series of units for which they qualify (likely Series O or Series O(US\$)). No management fees are paid by the Funds in respect of Series I units or Series I(US\$) units. Instead, Series I investors and Series I(US\$) investors negotiate a separate fee that is paid directly to us. The minimum amount for Series I and Series I(US\$) may be waived by us in our sole discretion.

*Series M and Series M(US\$)*: Series M units and Series M(US\$) units are only available to investors who invest \$100,000 or more in a single Fund and who are participants in a fee-for-service or wrap account program sponsored by certain registered dealers or investors investing through their discount brokerage accounts. Series M units and Series M(US\$) units have a higher investment minimum and a lower management fee than, but are otherwise identical to, Series F units and Series F(US\$) units, as applicable.

If PIMCO Canada is notified that you no longer meet the eligibility criteria, we will redeem or reclassify your Series M units and Series M(US\$) units in accordance with the instructions from your registered representative. In the absence of instructions, we may automatically redeem your Series M units and Series M(US\$) units or reclassify them to another series for which you qualify (likely Series F or Series F(US\$)). A redemption is a disposition for tax purposes. If you hold your units in a non-registered account, you may realize a capital gain or loss. Capital gains are taxable. See *Income Tax Considerations for Investors* for more details.

*Series N*: Series N units are only available to investors who invest \$10,000,000 or more in a single Fund and who are participants in a fee-for-service or wrap account program sponsored by certain registered dealers or investors investing through their discount brokerage accounts.

If PIMCO Canada is notified that you no longer meet the eligibility criteria, we will redeem or reclassify your Series N units in accordance with the instructions from your registered representative. In the absence of instructions, we may automatically redeem your Series N units or reclassify them to another series for which you qualify (likely Series M). A redemption is a disposition for tax purposes. If you hold your units in a non-registered account, you may realize a capital gain or loss. Capital gains are taxable. See *Income Tax Considerations for Investors* for more details.

*Series O and Series O(US\$)*: Series O units and Series O(US\$) units are only available to investors who invest \$100,000 or more in a single Fund.

If PIMCO Canada is notified that you no longer meet the eligibility criteria, we will redeem or reclassify your Series O units and Series O(US\$) units in accordance with the instructions from your registered representative. In the absence of instructions, we may automatically redeem your Series O units and Series O(US\$) units or reclassify them to another series for which you qualify

(likely Series A or Series A(US\$)). A redemption is a disposition for tax purposes. If you hold your units in a non-registered account, you may realize a capital gain or loss. Capital gains are taxable. See *Income Tax Considerations for Investors* for more details.

*ETF Series and ETF(US\$) Series:* ETF Series and ETF(US\$) Series units are available to investors that purchase such units over the TSX or another exchange or marketplace.

## **How to buy the Funds**

### Mutual Fund Series

You can open an account and place orders through registered dealers. They may charge you a sales commission or other fee. Your order must be in the proper form and include all necessary supporting documents. Your registered dealer is responsible for sending your order to us. Dealers must send orders to us on the same day that they receive completed orders from investors.

The Series A, Series F, Series H, Series I, Series M, Series N and Series O units of the Funds, where available, can be bought in Canadian dollars only.

The Series A(US\$), Series F(US\$), Series I(US\$), Series M(US\$) and Series O(US\$) units of the Funds, where available, can be bought in U.S. dollars only. We calculate separate U.S. and Canadian dollar prices for these units.

If we receive your order to buy, switch or redeem before 4 p.m. (Toronto time) on a business day, we'll process your order based on the price calculated that day. If we receive your order after 4 p.m. on a business day, we'll process your order based on the price calculated on the next business day. If the TSX's trading hours are shortened or changed for other regulatory reasons, we may change the 4 p.m. deadline. Your registered dealer will send you a confirmation of your order once we process it. With automatic investment or withdrawal plans, you will receive a confirmation for your first order only.

We can reject all or part of your order within one business day of the Fund receiving it. If we reject your order, we will immediately return any money received, without interest. We may reject your order if you've made several purchases and sales of a Fund within a short period of time. See *Short-term trading* for details.

If we do not receive payment for your purchase within two business days after the purchase price is determined (or such shorter period as may be determined by us in response to changes in applicable laws or general changes to settlement procedures in applicable markets), we will redeem your units on the next business day. If the proceeds from the sale are more than the cost of buying the units, the Fund will keep the difference. If the proceeds are less than the cost of buying the units, we must pay the shortfall. We may collect the shortfall and any related costs from the dealer who placed the order.

### Exchange Traded Series

Exchange Traded Series units of the Funds are, or will be, issued and sold on a continuous basis and there is no maximum number of Exchange Traded Series units that may be issued. ETF Series

units can be bought in Canadian dollars only and ETF(US\$) Series units can be bought in U.S. dollars only.

Exchange Traded Series units of PIMCO Monthly Income Fund (Canada), PIMCO Investment Grade Credit Fund (Canada), PIMCO Global Short Maturity Fund (Canada), PIMCO Low Duration Monthly Income Fund (Canada), PIMCO Managed Conservative Bond Pool and PIMCO Managed Core Bond Pool are currently listed on the TSX and an investor may buy or sell Exchange Traded Series units of these Funds on the TSX or another exchange or marketplace through registered brokers and dealers in the province or territory where the investor resides. The ticker symbol for the ETF Series units (and in the case of PIMCO Monthly Income Fund (Canada), the ETF(US\$) Series units) of the applicable Funds is provided in the following table.

<b>Fund</b>	<b>Ticker Symbol</b>
PIMCO Monthly Income Fund (Canada) (ETF Series)	PMIF
PIMCO Monthly Income Fund (Canada) (ETF(US\$) Series)	PMIF.US
PIMCO Investment Grade Credit Fund (Canada) (ETF Series)	IGCF
PIMCO Global Short Maturity Fund (Canada) (ETF Series)	PMNT
PIMCO Low Duration Monthly Income Fund (Canada) (ETF Series)	PLDI
PIMCO Managed Conservative Bond Pool	PCON
PIMCO Managed Core Bond Pool	PCOR

Unitholders may incur customary brokerage commissions in buying or selling Exchange Traded Series units. No fees are paid by a unitholder to the Manager or the Funds in connection with the buying or selling of Exchange Traded Series units on the TSX or another exchange or marketplace.

*Issuances to Designated Brokers and ETF Dealers*

We, on behalf of each Fund that offers Exchange Traded Series units, have entered into a designated broker agreement with a designated broker (a “Designated Broker”) pursuant to which the Designated Broker has agreed to perform certain duties relating to the Exchange Traded Series units of a Fund including, without limitation: (i) to subscribe for a sufficient number of units to satisfy the TSX’s original listing requirements; (ii) to subscribe for units when cash redemptions of units occur; and (iii) to post a liquid two-way market for the trading of units on the TSX. In accordance with each designated broker agreement, we may require a Designated Broker to subscribe for Exchange Traded Series units for cash.

Generally, all orders to purchase Exchange Traded Series units directly from a Fund must be placed by a Designated Broker or an “ETF Dealer”, which is a registered dealer (that may or may not be a Designated Broker) that has entered into an agreement with us authorizing the dealer to subscribe for, purchase and redeem Exchange Traded Series units from one or more Funds on a continuous basis from time to time.

We reserve the absolute right to reject any subscription order placed by a Designated Broker or ETF Dealer in connection with the issuance of Exchange Traded Series units. If we reject your order, we will immediately return any money received, without interest.

No fees or commissions will be payable by a Fund to a Designated Broker or ETF Dealer in connection with the issuance of Exchange Traded Series units. On the listing, issuance, exchange or redemption of Exchange Traded Series units, we may, in our discretion, charge an administrative fee to a Designated Broker or ETF Dealer to offset the expenses incurred in listing, issuing, exchanging or redeeming the units.

After the initial issuance of Exchange Traded Series units to the Designated Broker(s) to satisfy the TSX's original listing requirements, a Designated Broker or ETF Dealer may place a subscription order for a Prescribed Number of Units (and any additional multiple thereof) of a Fund on any day on which a session of the exchange or marketplace on which the Exchange Traded Series units of that Fund are listed is held (a "Trading Day"), or such other day as determined by us. "Prescribed Number of Units" means the number of ETF Series or ETF(US\$) Series units of a Fund determined by us from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes. The cut-off time for Exchange Traded Series units of the Funds is 4 p.m. (Toronto time) on the prior Trading Day (the "Cut-Off Time"). If the TSX's trading hours are shortened or changed for other regulatory reasons, we may change the Cut-Off-Time. Any subscription order that is received by the Cut-Off Time will be deemed to be received on the next Trading Day and will be based on the net asset value per unit determined on such next Trading Day. Any subscription order received after the Cut-Off Time on a Trading Day will be deemed to be received on the Trading Day following the next Trading Day and will be based on the net asset value per unit determined on such following Trading Day.

For each Prescribed Number of Units issued, an ETF Dealer must deliver payment consisting of, in our discretion: (i) cash in an amount equal to the aggregate net asset value per unit of the Prescribed Number of Units next determined following the receipt of the subscription order; (ii) a group of securities or assets representing the constituents of, and their weightings in, the Fund (a "Basket of Securities") or a combination of a Basket of Securities and cash, as determined by us, in an amount sufficient so that the value of the securities and cash received is equal to the aggregate net asset value per unit of the Prescribed Number of Units next determined following the receipt of the subscription order; or (iii) securities other than Baskets of Securities or a combination of securities other than Baskets of Securities and cash, as determined by us, in an amount sufficient so that the value of the securities and cash received is equal to the aggregate net asset value per unit of the Prescribed Number of Units next determined following the receipt of the subscription order.

We will make available to the Designated Brokers and ETF Dealers information as to the Prescribed Number of Units and any Basket of Securities for each applicable Fund for each Trading Day. We may, in our discretion, increase or decrease the Prescribed Number of Units from time to time.

#### *Issuances to Designated Brokers in special circumstances*

Exchange Traded Series units may also be issued by a Fund to the Designated Broker in certain special circumstances, including when cash redemptions of Exchange Traded Series units occur.

## **How we calculate net asset value per unit**

We usually calculate the net asset value per unit of each series of units of each Fund following the close of trading on the TSX on each day that the TSX is open for trading. In unusual circumstances, we may suspend the calculation of the net asset value per unit.

The net asset value per unit of each series of a Fund is calculated by determining the proportionate share of the series of the current market value of the assets and subtracting the proportionate share of the series of the liabilities of the Fund that are common to all series and subtracting the liabilities of the Fund that are specific to the series and finally dividing the balance by the number of Fund units of the series held by unitholders.

Securities which trade on a public stock exchange are usually valued at their closing price on that exchange. However, if the price is not a true reflection of the value of the security, we will use another method to determine its value. This method is called fair value pricing and it will be used when a security's value is affected by events which occur after the closing of the market where the security is principally traded. Fair value pricing may also be used in other circumstances.

The Manager will make available the net asset value of each Fund and the net asset value per unit for each series of a Fund on the Fund's website at [www.pimco.ca](http://www.pimco.ca). Such information will also be available on request, free of charge, by calling the Manager toll free at 1-877-506-8126 (416-506-8187 in Toronto) or by mailing PIMCO Canada Corp., Commerce Court West, 199 Bay Street, Suite 2050, Toronto, Ontario M5L 1G2.

All of the Funds are valued in Canadian dollars, other than in connection with the US\$ Series, PIMCO Investment Grade Credit Fund (Canada) and PIMCO Low Duration Monthly Income Fund (Canada). All transactions are based on the price of the relevant series of a Fund's units — or its net asset value per unit. The net asset value per unit of each series of a Fund, other than the US\$ Series, PIMCO Investment Grade Credit Fund (Canada) and PIMCO Low Duration Monthly Income Fund (Canada), is calculated in Canadian dollars. The Series A, Series F, Series I, Series M, Series N, Series O and ETF Series units of the Funds may be purchased in Canadian dollars only. The net asset value per unit takes into account the use of derivatives, such as foreign currency contracts, for that series. All orders are processed using the next net asset value per unit calculated after the Fund receives the order.

The net asset value per unit of each US\$ Series, PIMCO Investment Grade Credit Fund (Canada) and PIMCO Low Duration Monthly Income Fund (Canada) is calculated in U.S. dollars and Canadian dollars. The US\$ Series can be purchased in U.S. dollars only. The US\$ Series of a Fund will pay any cash distributions and redemption proceeds in U.S. dollars. After taking into account the use of derivatives such as forward currency contracts in the US\$ Series, as applicable, the net asset value per unit will be calculated U.S. dollars and will then be translated to Canadian dollars at the market rate. All orders are processed using the next net asset value per unit calculated after the Fund receives the order.

## **Minimum investments**

The minimum amounts for Series A units, Series A(US\$) units, Series F units and Series F(US\$) units of a Fund for the initial investment is \$500 and each additional investment is \$100 (including

pre-authorized contributions). The minimum amounts for Series M units, Series M(US\$) units, Series O units and Series O(US\$) units of a Fund for the initial investment is \$100,000 and each additional investment is \$100 (including pre-authorized contributions). The minimum amounts for Series N units of a Fund for the initial investment is \$10,000,000 and each additional investment is \$100 (including pre-authorized contributions). For Series I units and Series I(US\$) units of a Fund, the minimum expected investment is generally \$10,000,000. For Series H units of a Fund, the minimum initial investment is generally \$10 million, other than in connection with investors who are invested as part of a model portfolio program, in which case the minimum investment amount is waived. There is no minimum initial investment amount for ETF Series and ETF(US\$) Series units of a Fund.

We may change or waive these minimum investment amounts at any time. We may close your account if the value of your investment in a Fund drops below the minimum requirement that applies to your account.

We require that investors in (i) Series A units, Series A(US\$) units, Series F units and Series F(US\$) units of a Fund keep at least \$500 invested in such Fund, (ii) Series M units, Series M(US\$) units, Series O units and Series O(US\$) units of a Fund keep at least \$100,000 invested in such Fund, and (iii) Series H units, Series I units, Series I(US\$) units and Series N units of a Fund keep at least \$10,000,000 invested in such Fund (unless waived, as discussed above). There is no minimum investment amount for ETF Series and ETF(US\$) Series units of a Fund. For the purposes of determining whether or not an investor meets the minimum investment requirements, we will not aggregate investments from investors in the same household, from an investor's registered plan and non-registered accounts, or otherwise. If the value of the investment falls below the minimum requirement for such series, we may redeem your units and send you the proceeds or reclassify your units to a series with a lower minimum balance. We'll give you 30 calendar days' notice before redeeming so that you can buy more units if you wish to raise the balance above the minimum or direct us to reclassify your units to a series with a lower minimum balance. See *Fee Alignment Program* for a description of when we may automatically switch your series into a different series.

## **Purchase options**

### Series A and Series A(US\$)

When you purchase Series A units or Series A(US\$) units of a Fund, you may pay a sales charge at the time of purchase.

#### *Front-end sales charge option*

Series A units or Series A(US\$) units may only be purchased under the front end sales charge option, under which you and your registered representative negotiate the sales charge. The sales charge is deducted from the amount you invest in the Fund. The rate is up to 5%.

#### *Low load sales charge option*

As of August 31, 2018, the low load sales charge option is no longer available for new purchases. For investors who purchased Series A units and Series A(US\$) units of a Fund under the low load

sales charge, the low load sales charge will remain in place. The rate depends on how long you hold your units. Under the low load sales charge option, you do not pay a sales charge when you purchase your units. If you redeem or reclassify your units within three years after purchasing them, you pay us a redemption fee. The redemption fee is calculated as a percentage of the original cost of your units being redeemed or reclassified and decreases each 18 months over a three year period. Switches of Series A or Series A(US\$) units purchased under the low load sales charge option are not permitted within three years of purchase. If you hold your units for three or more years, you pay no fee when you redeem, switch or reclassify those units. See *Fees and expenses payable directly by you* for more information, including the schedule of fee percentages that may apply depending on the year in which you redeem or reclassify your units.

Series F, Series F(US\$), Series H, Series I, Series I(US\$), Series M, Series M(US\$), Series N, Series O and Series O(US\$)

Series F, Series H, Series I, Series M, Series N and Series O units and their US\$ Series counterparts, as applicable, have special attributes described previously. They are not sold under these two purchase options. Rather, these series of units are sold with no sales charge and any redemption fees applicable to such series will be set out in the series agreement, if any, relating to those units. Your dealer may charge you a fee when you purchase Series F, Series F(US\$), Series H, Series I, Series I(US\$), Series M, Series M(US\$), Series N, Series O or Series O(US\$) units of a Fund.

Exchange Traded Series

Exchange Traded Series units are listed on the TSX and are offered on a continuous basis, and an investor can buy or sell such Exchange Traded Series units on the TSX or another exchange or marketplace through Designated Brokers and ETF Dealers in the province or territory where the investor resides.

**How to switch Funds**

You can switch from one Fund to another PIMCO Canada Fund, as long as you're eligible to hold the particular series of the PIMCO Canada Fund into which you switch. The rules for buying and redeeming units also apply to switches. Switches within three years of purchase of Series A or Series A(US\$) units purchased under the low load sales charge option are not permitted. You cannot switch between US\$ Series units and non-US\$ Series units. You can only switch US\$ Series units with other US\$ Series units. You cannot switch Exchange Traded Series units of one Fund for units of another PIMCO Canada Fund. If you hold your units in a non-registered account, you may realize a capital gain or loss. You may only switch from a Fund to PIMCO Diversified Multi-Asset Fund (Canada) through your financial advisor if your financial advisor meets the proficiency standards required to advise on alternative mutual funds.

When we receive your order, we will redeem units of the first Fund and then use the proceeds to buy units of the second PIMCO Canada Fund. A redemption is a disposition for tax purposes. If you hold your units in a non-registered account, you may realize a capital gain or loss. Capital gains are taxable. For more information see *Income Tax Considerations for Investors*.



If you switch units frequently, you may have to pay a short-term trading fee. See *Short-term trading* for details.

### Fee Alignment Program

We will switch your Series A units, Series A(US\$) units, Series F units or Series F(US\$) units to Series O units, Series O(US\$) units, Series M units or Series M(US\$) units, respectively, as applicable, if you meet the Eligibility Criteria (defined below). We will not aggregate your investments in the Funds; a switch will only be triggered if you meet the Eligibility Criteria for a particular series of a Fund and it will only be triggered for that particular Fund. The amount of your investment will be the same after the switch, but the number and series of units you hold will be different and the management fee charged for the new series will be different (lower) than that charged for the prior series.

We will switch your Series O units, Series O(US\$) units, Series M units or Series M(US\$) units to Series A units, Series A(US\$) units, Series F units or Series F(US\$) units, as applicable, if the amount you have invested in a particular series of a particular Fund on the last business day of a quarter no longer meets the Eligibility Criteria. These switches may occur because of redemptions that decrease the amount of total investment in a Fund. In no circumstances will market value declines alone lead to such a switch. We will not aggregate your investments. The amount of your investment will be the same after the switch, but the number and series of units you hold will be different and the management fee charged for the new series will be different (higher) than that charged for the prior series.

The Eligibility Criteria are as follows:

To switch from Series A to Series O	If an investor holds, on the last business day of a quarter, a minimum of \$100,000* of Series A units of a single Fund, based on the higher of market value or Book Value, all of that investor's Series A units** will be switched into Series O units, if the Fund offers Series O units and if the switch would not trigger a redemption fee (i.e., a low load fee).
To switch from Series A(US\$) to Series O(US\$)	If an investor holds, on the last business day of a quarter, a minimum of \$100,000* of Series A(US\$) units of a single Fund, based on the higher of market value or Book Value, all of that investor's Series A(US\$) units** will be switched into Series O(US\$) units, if the Fund offers Series O(US\$) units and if the switch would not trigger a redemption fee (i.e., a low load fee).
To switch from Series F to Series M	If an investor holds, on the last business day of a quarter, a minimum of \$100,000* of Series F units of a single Fund, based on the higher of market value or Book Value, all of that investor's Series F units** will be switched into Series M units, if the Fund offers Series M units.
To switch from Series F(US\$) to Series M(US\$)	If an investor holds, on the last business day of a quarter, a minimum of \$100,000* of Series F(US\$) units of a single Fund, based on the higher of market value or Book Value, all of that

	investor's Series F(US\$) units** will be switched into Series M(US\$) units, if the Fund offers Series M(US\$) units.
To switch from Series O to Series A	If an investor holds, on the last business day of a quarter, less than \$100,000* of Series O units of a single Fund, based on the higher of market value or Book Value***, that investor's series O units will be switched to Series A units, if the Fund offers Series A units.
To switch from Series O(US\$) to Series A(US\$)	If an investor holds, on the last business day of a quarter, less than \$100,000* of Series O(US\$) units of a single Fund, based on the higher of market value or Book Value***, that investor's Series O(US\$) units will be switched to Series A(US\$) units, if the Fund offers Series A(US\$) units.
To switch from Series M to Series F	If an investor holds, on the last business day of a quarter, less than \$100,000* of Series M units of a single Fund, based on the higher of market value or Book Value***, that investor's series M units will be switched to Series F units, if the Fund offers Series F units.
To switch from Series M(US\$) to Series F(US\$)	If an investor holds, on the last business day of a quarter, less than \$100,000* of Series M(US\$) units of a single Fund, based on the higher of market value or Book Value***, that investor's Series M(US\$) units will be switched to Series F(US\$) units, if the Fund offers Series F(US\$) units.

\* Future series may have a minimum amount that may be more or less than \$100,000.

\*\* No partial account switches will be permitted.

\*\*\* The switches may occur because of redemptions that decrease the amount of total investment in a Fund. Market value declines alone will not lead to a switch.

Eligibility for a switch due to the Fee Alignment Program is determined on the last business day of a quarter. Switches due to the Fee Alignment Program will be processed on or about the first business day of the next quarter.

We may not initiate a switch due to the Fee Alignment Program or may cancel a switch due to the Fee Alignment Program if, between the day on which the Eligibility Criteria is evaluated and the day on which a switch due to the Fee Alignment Program is processed, the investor switches its securities to another Fund.

**Book Value:** The Book Value is the book value of record maintained by our recordkeeping agent (IFDS) for each position in each series of each Fund in each account based on the historic transaction activity on record. External book value figures will not be taken into account in connection with determining Eligibility Criteria. Investors may confirm the current Book Value for their holdings by calling 1-877-506-8126 (416-506-8187 in Toronto). The Book Value figure is not guaranteed for tax reporting purposes but is provided and used in connection with determining Eligibility Criteria.

We reserve the right to remove investors from the series they hold due to the Fee Alignment Program if, in our sole discretion, we determine that the investor is misusing the Fee Alignment Program.

There are no sales charges, switch fees, short term trading fees or other fees payable by the investor upon a switch due to the Fee Alignment Program. Redemption fees will not be waived, so a switch due to the Fee Alignment Program will not take place if it would trigger a redemption fee.

We may, in our sole discretion, change or cancel the Fee Alignment Program at any time without notice.

### **How to reclassify your units**

You can change your units of one series to another series of units of the same Fund, as long as you're eligible to hold that series. This is called a reclassification. You can only change US\$ Series units to other US\$ Series units. Exchange Traded Series units of a Fund may not be changed to units of another series of the same Fund. If you change units of one series to another series, the value of your investment won't change (except for any fees you pay to reclassify your units), but the number of units you hold may change. This is because each series may have a different unit value. Your dealer may charge you a fee to reclassify your units. If within three years of your purchase of Series A units under the low load sales charge option, you reclassify your units to Series F, Series H, Series I, Series M, Series N or Series O units or, if within three years of your purchase of Series A(US\$) units under the low load sales charge option, you reclassify your units to Series F(US\$), Series I(US\$), Series M(US\$) or Series O(US\$) units, you will be subject to a low load sales charge.

Changing units from one series to another series of the same Fund (other than between a US\$ Series and a series that is not a US\$ Series) is not a disposition for tax purposes other than any units that are redeemed to pay a fee at the time of the change. For more information, see *Income tax considerations* for investors.

### ***Switch/Reclassification Fees***

In addition to any applicable redemption fees, if you change a series of units of a Fund into another series of units of the Fund or switch units of one Fund to another Fund, you may pay a fee to your registered dealer of 0-2% of the net asset value being changed/switched.

If we determine that you are no longer eligible to hold Series F, Series O, Series F(US\$) or Series O(US\$) units and we change you out of those units to Series A or Series A(US\$) units, as applicable, of the same Fund under the front-end sales charge option, you will not be charged a change/switch fee and if we determine that you are no longer eligible to hold Series H, Series I, Series M, Series I(US\$) or Series M(US\$) units and we change you out of those units to Series F units or Series F(US\$) units, as applicable, of the same Fund, you will also not be charged a change/switch fee. If we determine that you are no longer eligible to hold Series N units and we change you out of those units to Series M units or Series F units, as applicable, of the same Fund, you will also not be charged a change/switch fee.

You may be charged a short-term trading fee in addition to a change/switch fee if you change/switch units within certain time periods. See *Short-term trading fee* for additional information.

## **How to redeem your units**

### Mutual Fund Series

You may choose to redeem Mutual Fund Series units of a Fund at any time. When you redeem units of a Fund, you receive the proceeds of your sale in cash. If you have not arranged for electronic transaction services, you must give us written instructions to redeem your units.

The Fund may charge you a short-term trading fee if you redeem your units within 30 calendar days of buying them. See *Fees and Expenses* for details about these fees.

Unless PIMCO Canada and your dealer have arranged otherwise, we'll send your payment to you by cheque or wire payment within two business days of receiving your properly completed order (or such shorter period as may be determined by us in response to changes in applicable laws or general changes to settlement procedures in applicable markets). If you are redeeming units that were subscribed for in Canadian dollars, you'll receive payment in Canadian dollars. If you are redeeming units that were subscribed for in U.S. dollars, the Fund will pay the redemption proceeds in U.S. dollars.

If you are redeeming more than \$25,000 of the Funds, your signature must be guaranteed by your bank, trust company or registered dealer. In some cases, we may require other documents or proof of signing authority. You can contact your registered representative or us to find out the documents that are required to complete the sale.

If we haven't received all the required documents within 10 business days of receiving your redemption order, we'll issue the same number of securities on the 10th business day after the redemption request. If the issue price is less than the sale proceeds, the Fund will keep the difference. If the issue price is more than the sale proceeds, your registered dealer must pay the shortfall. Your registered dealer may have the right to collect it from you.

While the low load sales charge option is no longer available for new purchases, if you had previously purchased units of a Fund under the low load sales charge option, the low load sales charge remains in place.

### Exchange Traded Series

#### *Redemption of Exchange Traded Series units in any number for cash*

You may choose to redeem Exchange Traded Series units of a Fund on any Trading Day. When you redeem Exchange Traded Series units of a Fund, you receive the proceeds of your sale in cash at a redemption price per unit equal to 95% of the closing price of the Exchange Traded Series units on the effective date of redemption, subject to a maximum redemption price of the applicable net asset value per unit. As unitholders will generally be able to sell Exchange Traded Series units at the market price on the TSX or another exchange or marketplace through an ETF Dealer subject only to customary brokerage commissions, unitholders are advised to consult their brokers, dealers or investment advisers before redeeming their Exchange Traded Series units for cash.

For such a cash redemption to be effective on a Trading Day, a cash redemption request in the form prescribed by us from time to time must be delivered to the Fund at its head office through a

registered dealer or other financial institution that is a participant in CDS Clearing and Depository Services Inc. (“CDS”) and that holds Exchange Traded Series units on behalf of beneficial owners of such units (a “CDS Participant”). Any cash redemption request that is received by the Cut-Off Time will be deemed to be received on the next Trading Day. Any cash redemption request received after the Cut-Off Time on a Trading Day will be deemed to be received on the Trading Day following the next Trading Day. Payment of the redemption price will be made by no later than the second Trading Day after the effective day of the redemption (or such shorter period as may be determined by us in response to changes in applicable laws or general changes to settlement procedures in applicable markets). The cash redemption request forms may be obtained from us.

If we haven’t received all the required documents within 10 business days of receiving your redemption request, we’ll issue the same number of securities on the 10th business day after the redemption request. If the issue price is less than the sale proceeds, the Fund will keep the difference. If the issue price is more than the sale proceeds, your ETF Dealer must pay the shortfall. Your ETF Dealer may have the right to collect it from you.

If you are redeeming more than \$25,000 of the Funds, your signature must be guaranteed by your bank, trust company or registered dealer. In some cases, we may require other documents or proof of signing authority. You can contact your registered representative or us to find out the documents that are required to complete the sale.

We reserve the right to cause a Fund to redeem the Exchange Traded Series units held by a unitholder at a price equal to the net asset value per unit on the effective date of such redemption if we believe it is in the best interests of the Fund to do so.

#### *Exchange of Prescribed Number of Units*

On any Trading Day, you may exchange a minimum of a Prescribed Number of Units (and any additional multiple thereof) for cash or, with our consent, Baskets of Securities and cash. To effect an exchange of Exchange Traded Series units, you must submit an exchange request, in the form prescribed by us from time to time, to the applicable Fund at its head office. The exchange price will be equal to the aggregate net asset value per unit of the Prescribed Number of Units on the effective day of the exchange request, payable by delivery of cash or, with our consent, Baskets of Securities (constituted prior to the receipt of the exchange request) and cash. On an exchange, the applicable Exchange Traded Series units will be redeemed. On an exchange we will require you to pay the applicable Fund an exchange transaction fee of 0.25%, or such other amount as we may determine from time to time, which approximates the brokerage expenses, commissions, transaction costs, costs or expenses related to market impact and other costs or expenses incurred or expected to be incurred by an Exchange Traded Series in effecting securities transactions on the market to obtain the necessary cash for the exchange. The exchange transaction fee may be higher if the costs and expenses incurred or expected to be incurred by an Exchange Traded Series are higher than generally expected. In certain circumstances and at our discretion, we may waive or reduce the exchange transaction fee.

Any exchange request that is received by the Cut-Off Time will be deemed to be received on the next Trading Day and will be based on the net asset value per unit determined on such next Trading Day. Any exchange request received after the Cut-Off Time on a Trading Day will be deemed to be received on the Trading Day following the next Trading Day and will be based on the net asset

value per unit determined on such following Trading Day. Settlement of exchanges for cash or Baskets of Securities and cash, as the case may be, will be made by no later than the second Trading Day after the effective day of the exchange request (or such shorter period as may be determined by us in response to changes in applicable laws or general changes to settlement procedures in applicable markets).

We will make available to the Designated Brokers and ETF Dealers information as to the Prescribed Number of Units and any Basket of Securities for each applicable Fund for each Trading Day. We may, in our discretion, increase or decrease the Prescribed Number of Units from time to time.

If securities held in the portfolio of a Fund are cease traded at any time by order of a securities regulatory authority or other relevant regulator or stock exchange, the delivery of such securities to a unitholder on an exchange may be postponed until such time as the transfer of the securities is permitted by law.

#### *Exchange and redemption of Exchange Traded Series units through CDS Participants*

The exchange and redemption rights described above must be exercised through the CDS Participant through which you hold Exchange Traded Series units. Beneficial owners of Exchange Traded Series units should ensure that they provide exchange and/or redemption instructions to the CDS Participants through which they hold units sufficiently in advance of the cut-off times set by CDS Participants to allow such CDS Participants to notify us or as we may direct prior to the relevant cut-off time.

#### *Characterization of redemption or exchange amounts*

The redemption or exchange price paid to a unitholder may include capital gains realized by the Fund. The remaining portion of the redemption or exchange price will be proceeds of disposition. The Notice of Ways and Means Motion to implement certain provisions of the 2021 budget and other measures tabled by the Minister of Finance (Canada) on April 28, 2021, proposed amendments to the Tax Act that would effective for taxation years of the Funds beginning on or after December 16, 2021, deny a Fund a deduction for the portion of a capital gain of the Fund designated to a unitholder on a redemption of units that is greater than the unitholder's accrued gain on those units, where the unitholder's proceeds of disposition are reduced by the designation.

#### **Short-term trading**

Short-term trading by investors can increase a Fund's expenses, which affects all investors in the Fund. To discourage short-term trading, a Fund may charge a fee of 2% of the amount you redeem or switch if you redeem or switch your units within 30 days of buying them. This fee is paid directly to the Fund. You will be responsible for the costs and expenses, as well as any tax consequences, resulting from the collection of the short-term trading fee. While this fee will generally be paid from the redemption proceeds of the Fund in question, we have the right to redeem units of any other Fund(s) in your account without further notice to you. We may, in our sole discretion, decide which units will be redeemed. We may waive this penalty at any time. If, in our sole discretion, we determine that you are engaging in short-term trading, we may also refuse your present or future orders to buy or switch securities.

The short-term trading fee generally does not apply to:

- redemptions of Exchange Traded Series units;
- PIMCO Global Short Maturity Fund (Canada) because its portfolio is comprised mainly of short-term investments that are replaced frequently, so short-term trading would not increase the Fund's expenses;
- transactions initiated by PIMCO Canada;
- withdrawals from RRIFs and RESPs;
- regularly scheduled automatic withdrawal plan payments; and
- transactions made as part of an asset allocation program.

See *Fees and expenses*.

### **Suspending your right to switch, exchange and redeem units**

Securities regulations allow us to temporarily suspend your right to switch, exchange and/or redeem your Fund units and postpone payment of your sale proceeds:

- during any period when normal trading is suspended on any exchange on which securities or derivatives that make up more than 50% of the Fund's value or its underlying market exposure are traded and there's no other exchange where these securities or derivatives are traded; or
- with the approval of securities regulators.

We will not accept orders to buy Fund units during any period when we've suspended investors' rights to switch, exchange and/or redeem their units.

You may withdraw your switch, exchange or redemption request before the end of the suspension period. Otherwise, we will switch, exchange or redeem your units at the net asset value per unit next calculated when the suspension period ends.

### **Special considerations for unitholders**

The provisions of the so-called "early warning" reporting requirements in Canadian securities legislation do not apply if a person or company acquires 10% or more of the Exchange Traded Series units of a Fund. The Funds have obtained relief to permit unitholders to acquire more than 20% of the Exchange Traded Series units of any Fund without regard to the takeover bid requirements of applicable Canadian securities legislation. In addition, the Funds have obtained relief to permit a Fund to borrow cash in an amount not exceeding 5% of the net assets of the Fund for a period not longer than 45 days and, if required by the lender, to provide a security interest over any of its portfolio assets as a temporary measure to fund the portion of any distribution payable to unitholders that represents amounts that have not yet been received by the Fund.

## Price range and trading volume of Exchange Traded Series units

The following tables set forth the market price range and trading volume of the ETF Series and, if applicable, ETF(US\$) Series units of the applicable Funds for the periods indicated. The greatest volume of trading of the ETF Series and ETF(US\$) Series units generally occurs on the TSX.

PIMCO Monthly Income Fund (Canada) (ETF Series)				PIMCO Investment Grade Credit Fund (Canada) (ETF Series)			
	Price				Price		
<u>2020</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>	<u>2020</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
June	\$19.45	\$19.06	12,366,096	June	\$20.90	\$19.85	224,217
July	\$19.56	\$19.26	9,947,304	July	\$20.99	\$20.27	211,605
August	\$19.68	\$19.42	12,704,258	August	\$20.99	\$20.62	566,909
September	\$19.69	\$19.49	12,551,429	September	\$20.90	\$20.45	605,562
October	\$20.04	\$19.54	9,592,727	October	\$20.96	\$20.40	481,020
November	\$20.25	\$19.58	10,135,290	November	\$21.08	\$20.40	552,963
December	\$20.25	\$20.00	10,578,935	December	\$21.12	\$20.79	342,033
<u>2021</u>				<u>2021</u>			
January	\$20.35	\$20.01	11,574,028	January	\$21.09	\$20.12	252,204
February	\$20.35	\$19.95	15,512,388	February	\$20.93	\$19.96	290,850
March	\$20.13	\$19.95	19,280,208	March	\$20.61	\$19.96	359,164
April	\$20.12	\$20.00	9,372,422	April	\$20.43	\$20.16	191,563
May	\$20.09	\$19.97	5,228,565	May	\$20.41	\$20.13	118,208

PIMCO Global Short Maturity Fund (Canada) (ETF Series)				PIMCO Low Duration Monthly Income Fund (Canada) (ETF Series)			
	Price				Price		
<u>2020</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>	<u>2020</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
June	\$19.73	\$19.54	1,479,010	June	\$20.09	\$19.90	5,876
July	\$19.76	\$19.65	708,125	July	\$20.19	\$20.02	2,751
August	\$19.77	\$19.69	691,166	August	\$20.22	\$20.06	39,235
September	\$19.77	\$19.71	1,044,727	September	\$20.22	\$20.06	39,420
October	\$19.77	\$19.71	897,867	October	\$20.29	\$20.15	6,204
November	\$19.79	\$19.71	936,729	November	\$20.61	\$20.00	7,908
December	\$19.82	\$19.74	865,402	December	\$20.61	\$20.00	6,768
<u>2021</u>				<u>2021</u>			
January	\$19.83	\$19.76	973,294	January	\$20.24	\$20.08	17,734
February	\$19.83	\$19.75	1,014,112	February	\$20.24	\$20.05	38,243
March	\$19.81	\$19.74	492,101	March	\$20.19	\$20.05	30,999
April	\$19.81	\$19.74	162,610	April	\$20.19	\$20.11	5,548
May	\$19.78	\$19.75	180,869	May	\$20.17	\$20.09	33,834

PIMCO Managed Conservative Bond Pool (ETF Series)	PIMCO Managed Core Bond Pool (ETF Series)
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	Price				Price		
<u>2020</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>	<u>2020</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
June	\$19.88	\$19.58	8,245	June	\$19.90	\$19.50	686,653
July	\$19.88	\$19.88	5,000	July	\$20.01	\$19.65	500,792
August	\$0.00	\$0.00	-	August	\$20.10	\$19.89	162,401
September	\$19.91	\$19.91	355	September	\$20.10	\$19.89	154,582
October	\$20.08	\$19.91	15,723	October	\$20.34	\$19.94	265,118
November	\$20.08	\$19.98	23,394	November	\$20.51	\$19.98	315,994
December	\$20.17	\$20.16	22,674	December	\$20.51	\$20.23	336,026
<u>2021</u>				<u>2021</u>			
January	\$20.20	\$20.01	58,722	January	\$20.44	\$20.03	614,491
February	\$20.20	\$19.76	71,621	February	\$20.44	\$19.87	819,605
March	\$20.06	\$19.74	29,956	March	\$20.21	\$19.87	977,967
April	\$19.86	\$19.74	2,409	April	\$20.12	\$19.97	539,169
May	\$19.84	\$19.83	5,860	May	\$20.15	\$20.01	431,279

<b>PIMCO Monthly Income Fund (Canada) (ETF(US\$) Series)</b>			
	Price		
<u>2020</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
June	\$20.43	\$19.96	442,682
July	\$20.56	\$20.22	395,518
August	\$20.70	\$20.40	418,610
September	\$20.70	\$20.45	365,557
October	\$21.04	\$20.52	344,583
November	\$21.26	\$20.54	495,275
December	\$21.26	\$20.99	494,996
<u>2021</u>			
January	\$21.33	\$20.99	699,833
February	\$21.33	\$20.92	755,885
March	\$21.15	\$20.90	523,450
April	\$21.15	\$20.93	298,061
May	\$21.12	\$21.01	198,361

## Optional services

This section tells you about the services that are available to investors in Mutual Fund Series units of the Funds. These services are not available to investors in Exchange Traded Series units of the Funds. For full details call 1-877-506-8126 (416-506-8187 in Toronto).

## Pre-authorized contributions

Following your initial investment, you can make regular pre-authorized contributions to the Funds using automatic transfers from your bank account at any selected Canadian financial institution.

Pre-authorized contributions are available for non-registered accounts, RRSPs, RESPs and TFSAs. See *Purchases, switches and redemptions – Minimum investment amounts* for the minimum investment amounts. The frequency of your pre-authorized contributions is flexible. For example, you may choose to invest weekly, monthly, quarterly, semi-annually or annually. We will automatically transfer the money from your bank account to the Funds you choose.

We can change or cancel the plan at any time.

### **Automatic withdrawal plan**

The automatic withdrawal plan, only available for non-registered accounts, lets you receive regular cash payments from your Funds. The frequency of an automatic withdrawal plan is flexible. For example, you may choose to receive payments weekly, monthly, quarterly, semi-annually or annually. We will automatically redeem the necessary number of units to make payments to your bank account at any selected Canadian financial institution or by cheque.

If you redeem units within 30 days of buying them, you may have to pay a short-term trading fee. See *Short-term trading* for details.

A redemption is a disposition for tax purposes. If you hold your units in a non-registered account, you may realize a capital gain or loss. Capital gains are taxable. See *Income Tax Considerations for Investors* for more details. If you withdraw more money than your Fund units are earning, you'll eventually use up your investment.

We can change or cancel the plan, or waive the minimum amounts at any time.

### **Fees and expenses**

This section describes the fees and expenses you may have to pay if you invest in the Funds. You may have to pay some of these fees and expenses directly, including any applicable taxes. The Funds may have to pay some of these fees and expenses, which reduces the value of your investment. Because Series F, Series F(US\$), Series H, Series I, Series I(US\$), Series M, Series M(US\$), Series N, Series O, Series O(US\$), ETF Series and ETF(US\$) Series units of the Funds are no-load, a meeting of unitholders of these series of the Funds is not required to approve any increase in, or introduction of, a fee or expense charged to the Funds. Any such increase will only be made if such unitholders are notified of the increase at least 60 days before the date on which the increase will take effect.

If the basis of the calculation of a fee or expense that is charged to Series A or Series A(US\$), units of a Fund offered through this simplified prospectus is changed in a way that could result in an increase in charges to the series or its unitholders, or if such a fee or expense is introduced, and when this fee or expense is charged by any entity that is at arm's length to the Fund, the approval of unitholders will not be obtained. In the cases above, unitholders will be sent a written notice of the change at least 60 days prior to the effective date.

## Fees and expenses payable by the Funds

<b>Management Fees</b>	<p>Each Fund pays us a management fee with respect to Series A, Series A(US\$), Series F, Series F(US\$), Series H, Series M, Series M(US\$), Series N, Series O, Series O(US\$), ETF Series and ETF(US\$) Series units, as applicable. The fee is calculated and accrued daily and paid monthly. Management fees for Series I units and Series I(US\$) of a Fund are negotiated and paid directly by the investor, not by the Fund, and will not exceed the Series A management fees of the Fund.</p> <p>In return for the payment of the management fee, the Manager provides various services to the Funds, including investment management and portfolio management services, sales and trailing commissions to registered dealers, marketing services, and operational services, being transfer agent services, fund accounting services and custody services.</p>						
	<p>The annual rates of the management fee for Series A, Series F, Series H, Series M, Series N, Series O and ETF Series units of the Funds are as follows:</p>						
	<b>Annual management fee (%)</b>						
<b>Fund</b>	<b>Series A</b>	<b>Series F</b>	<b>Series H</b>	<b>Series M</b>	<b>Series N</b>	<b>Series O</b>	<b>ETF Series</b>
PIMCO Canadian Total Return Bond Fund	1.00	0.50	-	0.46	-	0.96	-
PIMCO Monthly Income Fund (Canada)	1.25	0.75	0.50	0.60	0.50	1.10	0.75
PIMCO Flexible Global Bond Fund (Canada)	1.15	0.65	-	-	-	-	-
PIMCO Unconstrained Bond Fund (Canada)	1.35	0.85	-	0.82	-	1.30	-
PIMCO Investment Grade Credit Fund (Canada)	1.25	0.75	-	0.60	-	1.10	0.75
PIMCO Global Short Maturity Fund (Canada)	0.60	0.35	-	-	-	-	0.35
PIMCO Low Duration Monthly Income Fund (Canada)	1.25	0.75	-	0.60	-	1.10	0.75

	PIMCO Managed Conservative Bond Pool	1.09	0.59	-	-	-	-	0.59
	PIMCO Managed Core Bond Pool	1.09	0.59	-	-	-	-	0.59

The annual rates of the management fee for Series A(US\$), Series F(US\$), Series M(US\$), Series O(US\$) and ETF(US\$) Series units of the Funds are as follows:						
<b>Annual management fee (%)</b>						
<b>Fund</b>	<b>Series A(US\$)</b>	<b>Series F(US\$)</b>	<b>Series M(US\$)</b>	<b>Series O(US\$)</b>	<b>ETF (US\$) Series</b>	
PIMCO Monthly Income Fund (Canada)	1.25	0.75	0.60	1.10	0.75	
PIMCO Unconstrained Bond Fund (Canada)	1.35	0.85	0.82	-	-	
PIMCO Investment Grade Credit Fund (Canada)	1.25	0.75	0.60	1.10	-	
PIMCO Global Short Maturity Fund (Canada)	0.60	0.35	-	-	-	
PIMCO Low Duration Monthly Income Fund (Canada)	1.25	0.75	0.60	1.10	-	
PIMCO Managed Conservative Bond Pool	1.09	0.59	-	-	-	
PIMCO Managed Core Bond Pool	1.09	0.59	-	-	-	
<b>Operating expenses</b>	PIMCO Canada will pay all of the operating expenses for a Fund, other than borrowing, interest and portfolio execution costs and taxes, the fees and expenses of the IRC, extraordinary expenses, including litigation expenses of the Fund, and any new fees or expenses payable by a Fund on or after July 28, 2016, including those resulting from compliance with any new governmental and regulatory requirements.					

	<p>Each Fund is required to pay applicable goods and services taxes (“GST”), harmonized sales taxes (“HST”), and may be required to pay Quebec sales taxes (“QST”), on management fees, administration fees and certain fund costs based on the province or territory of residence of the investors in each series of the Fund. GST, HST and QST, where applicable, are part of the fund costs and are included in the management expense ratio (“MER”) of each series of the Fund. Changes in existing GST, HST and QST rates, further provincial adoption of HST, the repeal of HST by HST-participating provinces and changes in the breakdown of the residence of the investors within each series of the Fund all may have an impact on the MER of each series of the Fund year over year.</p> <p>As each Fund has more than one series of units, each series is responsible for its proportionate share of common operating expenses and for operating expenses incurred by only that series. Accordingly, any expenses or liabilities related to the foreign currency hedging will also be allocated solely to the series to which it is attributable.</p> <p>Currently, each member of the IRC is entitled to annual compensation of \$29,717 (\$37,822 for the Chair). Each Fund pays a proportionate share of the total compensation paid to the IRC each year and reimburses members of the IRC for expenses incurred by them in connection with their services as members of the IRC. Each Fund’s share of the IRC’s compensation and expenses will be disclosed in the Fund’s financial statements.</p>
<p><b>Fees related to underlying funds</b></p>	<p>Where a Top Fund invests in underlying funds, it may have to pay the applicable fees and expenses connected with the management of the underlying funds as well.</p> <p>However, we make sure that when a Top Fund invests in an underlying fund, it does not pay duplicate management fees on the portion of its assets that it invests in the underlying fund.</p> <p>We also make sure that, when a Top Fund invests in an underlying fund that we or one of our associates manages, the Top Fund does not pay sales charges or redemption fees when it purchases or redeems securities of the underlying fund.</p>

**Fees and expenses payable directly by you**

<p><b>Sales charges</b></p>	<p><i>Front-end sales charge option</i></p> <p>The front-end sales charge option is available for Series A units and Series A(US\$) units of all Funds, as applicable. You and your registered representative negotiate the sales charge. The sales charge is deducted from the amount you invest in the Fund. The rate is up to 5%.</p>
<p><b>Switch/ Reclassification Fees</b></p>	<p>If you switch Series A, Series A(US\$), Series O or Series O(US\$) units of a Fund into another series of units of the Fund or units of one Fund to another Fund, you</p>

	<p>may pay a fee to your registered dealer of 0-2% of the net asset value being switched.</p> <p>A short-term trading fee may also be payable. See <i>Short-term trading fee</i> below.</p>												
<b>Redemption fee</b>	<p><b>Front-end sales charge option</b> None. A short-term trading fee may be charged. See <i>Short-term trading fee</i> below.</p> <p><b>Low load sales charge option</b> As of August 31, 2018, the low load sales charge option is no longer available for new purchases. For investors who purchase Series A units and Series A(US\$) units of a Fund under the low load sales charge, the low load sales charge remains in place.</p> <p>The low load sales charge is based on the value of the units when you bought them and is deducted from the value of the units you redeem or reclassify. The rate depends on how long you held your units. The rates are:</p>												
	<table border="1"> <thead> <tr> <th><b>If redeeming:</b></th> <th><b>Units you redeem or reclassify:</b></th> <th><b>You pay:</b></th> </tr> </thead> <tbody> <tr> <td>within the first 18 months of buying them</td> <td>All Funds</td> <td>1.00%</td> </tr> <tr> <td>during the second 18 months after buying them</td> <td>All Funds</td> <td>0.75%</td> </tr> <tr> <td>after 3 years of buying them</td> <td>All Funds</td> <td>Zero</td> </tr> </tbody> </table>	<b>If redeeming:</b>	<b>Units you redeem or reclassify:</b>	<b>You pay:</b>	within the first 18 months of buying them	All Funds	1.00%	during the second 18 months after buying them	All Funds	0.75%	after 3 years of buying them	All Funds	Zero
	<b>If redeeming:</b>	<b>Units you redeem or reclassify:</b>	<b>You pay:</b>										
	within the first 18 months of buying them	All Funds	1.00%										
	during the second 18 months after buying them	All Funds	0.75%										
after 3 years of buying them	All Funds	Zero											
<b>Short-term trading fee</b>	<p>A Fund (other than PIMCO Global Short Maturity Fund (Canada)), may charge a fee of 2% of the amount you redeem or switch if you redeem or switch your units within 30 days of buying them.</p> <p>The fee doesn't apply to:</p> <ul style="list-style-type: none"> <li>• redemptions of Exchange Traded Series units;</li> <li>• transactions initiated by PIMCO Canada;</li> <li>• withdrawals from RRIFs and RESPs;</li> <li>• regularly scheduled automatic withdrawal plan payments; and</li> <li>• transactions made as part of an asset allocation program.</li> </ul> <p>The Manager does not believe that it is necessary to impose any short term trading restrictions on Exchange Traded Series units at this time, as such series are exchange traded series that are primarily traded in the secondary market.</p>												

<b>Administration Fee</b>	An amount may be charged to a Designated Broker or ETF Dealer to offset certain transaction and other costs associated with the listing, issue, exchange and/or redemption of Exchange Traded Series units of a Fund. This charge, which is payable to the applicable Fund, does not apply to unitholders who buy and sell their Exchange Traded Series units through the facilities of the TSX or another exchange or marketplace.
<b>Exchange Fee</b>	On an exchange of Exchange Traded Series units, we will require you to pay the applicable Fund an exchange transaction fee of 0.25%, or such other amount as we may determine from time to time, which approximates the brokerage expenses, commissions, transaction costs, costs or expenses related to market impact and other costs or expenses incurred or expected to be incurred by an Exchange Traded Series in effecting securities transactions on the market to obtain the necessary cash for the exchange. The exchange transaction fee may be higher if the costs and expenses incurred or expected to be incurred by an Exchange Traded Series is higher than generally expected. In certain circumstances and at our discretion, we may waive or reduce the exchange transaction fee.
<b>Other fees</b>	<ul style="list-style-type: none"> <li>• Pre-Authorized Contributions: none</li> <li>• Automatic Withdrawal Plan: none</li> <li>• Dishonoured cheques or insufficient funds: \$35 for each bank transaction</li> </ul>

### Impact of sales charges

Series F, Series F(US\$), Series H, Series I, Series I(US\$), Series M, Series M(US\$), Series N, Series O, Series O(US\$), ETF Series and ETF(US\$) Series units of the Funds are no-load. That means you do not pay a sales commission to the Manager or the Funds when you buy, switch or redeem units of these series. You may pay a sales commission or other fee when you buy, switch or redeem units through dealers. You may incur customary brokerage commissions in buying or selling Exchange Traded Series units on the TSX or another exchange or marketplace.

The table below shows the fees that you would have to pay while invested in Series A units or Series A(US\$) units of a Fund under the front end-sales charge option. It assumes that:

- you invest \$1,000 in securities of the Fund for each period and redeem all of your securities immediately before the end of the period.
- the sales charge is 5%. See *Fees and expenses payable directly by you — Sales charges* for the front-end sales charge rates.

<b>At Time of Purchase</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>
\$50	n/a	n/a	n/a	n/a

## **Dealer compensation**

This section explains how we compensate dealers when you invest in Series A, Series A(US\$), Series O and Series O(US\$) units of the Funds.

### **Sales commissions**

Your registered dealer usually receives a sales commission when you invest in Series A units or Series A(US\$) units of a Fund. You can choose any one of the following different sales charge options available for that series. You and your registered representative will determine which sales charge option is suitable for you.

#### **Front-end sales charge option**

The front-end sales charge option is available for Series A units and Series A(US\$) units of all Funds. When you buy under this option, you and your registered representative negotiate the sales charge. We deduct the sales charge from your investment and pay it to your registered dealer. The sales charge is up to 5% for all Funds.

#### **Low load sales charge option**

As of August 31, 2018, the low load sales charge option is no longer be available for new purchases. For investors who purchased Series A units and Series A(US\$) units of a Fund under the low load sales charge, the low load sales charge remains in place. You may have to pay us a fee if you redeem or reclassify your Series A units or Series A(US\$) units within three years of buying the original units. See *Fees and expenses payable directly by you — Redemption fees* for details on the low load rate schedule.

#### **Trailing commission**

For Series A, Series A(US\$), Series O and Series O(US\$) units, we pay your registered dealer (including discount brokers, where applicable), monthly or quarterly, a trailing commission on the securities purchased or issued on the reinvestment of any distributions, subject to certain eligibility requirements. Payment of trailing commissions to discount brokers is subject to compliance with applicable securities legislation.

For purchases of Series I, Series I(US\$), Series F, Series F(US\$), Series H, Series M, Series M(US\$), Series N, ETF Series or ETF(US\$) Series units, we do not pay any trailing commission to your registered dealer (including discount brokers). Your registered dealer (including discount brokers) is paid a fee in respect of Series I, Series I(US\$), Series F, Series F(US\$), Series M, Series M(US\$), Series N or Series H units, as applicable, under the terms of your arrangement with your registered dealer.

Generally, the trailing commission is a percentage of the total value of Series A, Series A(US\$), Series O or Series O(US\$) units held by a registered representative's clients. The annual rate of the trailing commission depends upon the series of units, the type of Fund and the purchase date as follows:



Fund	Annual trailing commission rate		
	Series A and Series A(US\$) (as applicable)	Series O and Series O(US\$) (as applicable)	
	Front-End	Low Load*	
PIMCO Canadian Total Return Bond Fund	0.50%	Year 1 to 3 - 0.25% Thereafter - 0.50%	0.50%
PIMCO Monthly Income Fund (Canada)	0.50%	Year 1 to 3 - 0.25% Thereafter - 0.50%	0.50%
PIMCO Flexible Global Bond Fund (Canada)	0.50%	Year 1 to 3 - 0.25% Thereafter - 0.50%	N/A
PIMCO Unconstrained Bond Fund (Canada)	0.50%	Year 1 to 3 - 0.25% Thereafter - 0.50%	0.50%
PIMCO Investment Grade Credit Fund (Canada)	0.50%	Year 1 to 3 - 0.25% Thereafter - 0.50%	0.50%
PIMCO Global Short Maturity Fund (Canada)	0.25%	N/A	N/A
PIMCO Low Duration Monthly Income Fund (Canada)	0.50%	N/A	0.50%
PIMCO Managed Conservative Bond Pool	0.50%	N/A	N/A
PIMCO Managed Core Bond Pool	0.50%	N/A	N/A

\* As of August 31, 2018, the low load sales charge option is no longer available for new purchases.

### Other kinds of dealer compensation

In addition to the commissions described above, we may also provide educational conferences and events, marketing support programs and other programs to registered dealers or financial advisors and their registered representatives, such as materials describing the benefits of mutual fund investing, conferences sponsored by registered dealers, for which we pay up to 50% of the cost, audio and video materials for dealer seminars and co-operative dealer advertising, for which we pay up to 50% of the cost.

We may change the terms and conditions of these commissions and programs or discontinue them, at any time.

### Dealer compensation from management fees

The Manager paid dealers compensation of approximately 14.46% of the total management fees that the Manager received from all the PIMCO Canada Funds during the financial year that ended December 31, 2020. This includes amounts the Manager paid to dealers for trailing commissions.

### Income tax considerations for investors

This section is a summary of how investing in the Funds can affect your taxes. It assumes that you're an individual (other than a trust) and, for the purposes of the Tax Act, you are resident in

Canada, are not affiliated with the Funds, deal with the Funds at arm's length, and hold your units either directly as capital property or in a registered plan. More detailed information is provided in the Funds' annual information form. Because tax laws vary by province or territory and every investor's situation is different, we recommend that you get advice from a tax expert.

### **How your investment can earn money**

Funds earn money in the form of income and capital gains. Income includes the interest and dividends a Fund earns on its investments and gains on certain derivatives. Capital gains are earned when a Fund sells investments for a profit.

You earn money in the form of distributions when the Fund pays you your share of the net income and net realized capital gains it has earned. In general, each Fund will distribute enough of its net income and net realized capital gains each year to unitholders so it won't have to pay income tax. To the extent that the Funds have not otherwise distributed a sufficient amount of its net income or net capital gains, the trust agreement of the Funds provides that a distribution will be paid to unitholders at the end of the year and the distribution will be automatically reinvested in additional units of the Fund. Immediately following such reinvestment, the number of units outstanding will be consolidated so that the net asset value per unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid. A consolidation of units following a distribution which is reinvested in units will not be regarded as a disposition of units.

You can also earn money in the form of a capital gain when you redeem or switch your units for a profit. You can realize a capital loss if you redeem or switch your units at a loss.

### **How earnings are taxed**

The tax you pay depends on whether you hold your units in a registered plan or in a non-registered account.

#### **Units held in a registered plan**

If you hold units of a Fund in an RRSP, RRIF, RESP, RDSP, TFSA or other registered plan, you generally pay no tax on distributions from the Fund on those units or on any capital gains that your registered plan receives from selling, redeeming or exchanging units. Securities received on the exchange of Exchange Traded Series units for a Basket of Securities may not be a qualified investment for your registered plan. You should consult with your own tax advisor with respect to exchanging Exchange Traded Series units for a Basket of Securities in your registered plan. When you withdraw money from a registered plan (other than TFSA), it will generally be subject to tax at your marginal tax rate. You should consult with a tax expert about the special rules that apply to RESPs and RDSPs.

#### **Units held in a non-registered account**

##### ***Distributions from the Funds***

If you hold units of a Fund in a non-registered account, you must include your share of the Fund's distributions of net income and the taxable portion of its distributions of net realized capital gains

in your income, whether you receive the distributions in cash or we reinvest them for you. In general, these distributions are taxable to you as if you received the income or gain directly.

Distributions may include a return of capital. When a Fund earns less income and capital gains than the amount distributed, the difference is a return of capital. A return of capital is not taxable, but will reduce the adjusted cost base of your units of the Fund. If the adjusted cost base of your units is reduced to less than zero, you will be deemed to realize a capital gain to the extent of the negative amount and the adjusted cost base of your units will be increased to nil. You should consult a tax expert about the tax implications of receiving a return of capital.

Gains and losses realized by a Fund from the use of derivatives for non-hedging purposes will be treated as ordinary income and losses for tax purposes, rather than as capital gains and losses. Gains and losses realized by the Fund from the use of derivatives for hedging purposes may be treated for tax purposes as ordinary income and losses or as capital gains and capital losses, depending on the circumstances.

The unit price of a Fund may include income and/or capital gains that the Fund has accrued or realized, but not yet distributed. If you buy units of a Fund just before it makes a distribution, you'll be taxed on that distribution, even though the Fund earned the amount before you owned it. If you buy units of a Fund just before it makes a distribution, including late in the year, you will be taxed on the entire distribution even though the Fund may have earned the income or realized the gain giving rise to the distribution before you owned units of the Fund. That means you'll end up paying tax on Fund earnings that you had little or no benefit from.

We will issue a tax slip to you each year that shows you how much of each type of income and return of capital the Fund distributed to you. You can claim any tax credits that apply to those earnings. For example, if the Fund's distributions include Canadian dividend income, you'll qualify for a dividend tax credit. The characterization of distributions made during the year will not be determined with certainty for Canadian tax purposes until the end of each Fund's taxation year.

Fees paid on Series I units to us will not be deductible.

### **Capital gains (or losses) you realize**

In general, you must also include in computing your income one half of any capital gains you realize from selling, redeeming or exchanging your units. Your capital gain or loss for tax purposes is the difference between the amount you receive when you sell, redeem or exchange your units and the adjusted cost base of those units, less any costs of the sale, redemption or exchange. See *Calculating adjusted cost base* below for more details. You may use capital losses you realize to offset capital gains.

Reclassifying units from one series of a Fund to another series of the same Fund (other than between a US\$ Series and a series that is not a US\$ Series) is not a disposition for tax purposes, so no capital gain or loss will result, other than in connection with units that are redeemed to pay a fee at the time of the change.

## **Calculating adjusted cost base**

In general, the aggregate adjusted cost base of your units per series equals:

- your initial investment, plus
- additional investments, plus
- reinvested distributions, minus
- any return of capital distributions, minus
- the adjusted cost base of any previous dispositions.

You should keep detailed records of the purchase cost of your investments and distributions you receive on those units so you can calculate their adjusted cost base. If you own units of a Fund denominated in U.S. dollars, you must convert U.S. dollars to Canadian dollars using the appropriate exchange rate, determined in accordance with the detailed rules in the Tax Act in that regard. You may want to get advice from a tax expert.

## **Portfolio turnover rate**

Each Fund discloses its portfolio turnover rate in its management report of fund performance. A Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio one time in the course of a year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year and the greater the likelihood that you will receive a taxable distribution from the Fund in that year. The trading costs associated with portfolio turnover may adversely affect a Fund's performance.

## ***Tax information reporting***

Each of the Funds has due diligence and reporting obligations under the Foreign Account Tax Compliance Act (as implemented in Canada by the Canada-United States Enhanced Tax Information Exchange Agreement and Part XVIII of the Tax Act, collectively referred to as "FATCA") and the OECD's Common Reporting Standard (as implemented in Canada by Part XIX of the Tax Act, referred to as "CRS"). Generally, unitholders (or in the case of certain unitholders that are entities, the "controlling persons" thereof) will be required by law to provide their advisor or dealer with information related to their citizenship or tax residence and, if applicable, their foreign tax identification number. If a unitholder (or, if applicable, any of its controlling persons), (i) is identified as a U.S. Person (including a U.S. resident or a U.S. citizen); (ii) is identified as a tax resident of country other than Canada or the U.S.; or (iii) does not provide the required information and indicia of U.S. or non-Canadian status is present, information about the unitholder (or, if applicable, its controlling persons), and their investment in the Fund will generally be reported to the CRA unless the units are held within a registered plan. The CRA will provide that information to, in the case of FATCA, the U.S. Internal Revenue Service and in the case of CRS, the relevant tax authority of any country that is a signatory of the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information or that has otherwise agreed to a bilateral information exchange with Canada under CRS.

## **What are your legal rights?**

### ***Mutual Fund Series***

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the simplified prospectus or fund facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy units and get your money back, or to make a claim for damages, if the prospectus, annual information form, fund facts or financial statements misrepresent any facts about the Fund. These rights must usually be exercised within certain time limits.

You will not have the right to withdraw from an agreement of purchase and sale in respect of the securities you receive in connection with a switch under the Fee Alignment Program, but you will have a right of action for damages or rescission in the event any fund facts or document incorporated by reference into a simplified prospectus for the relevant series contains a misrepresentation, whether or not you request the fund facts.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

### ***Exchange Traded Series***

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase ETF securities within 48 hours after the receipt of a confirmation of a purchase of such securities. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation, or non-delivery of the ETF facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory.

We have obtained relief from the requirement in securities legislation to include an underwriter's certificate in the prospectus under a decision pursuant to National Policy 11-203 *Process for Exemptive Relief Applications in Multiple Jurisdictions*. As such, purchasers of Exchange Traded Series units will not be able to rely on the inclusion of an underwriter's certificate in the prospectus or any amendment for the statutory rights and remedies that would otherwise have been available against an underwriter that would have been required to sign an underwriter's certificate.

The purchaser should refer to the applicable provisions of the securities legislation of the province or territory for the particulars of these rights or should consult with a legal adviser.

## **Additional information**

### ***Exemptions and approvals***

The Funds have obtained relief from applicable securities laws in connection with the offering of Exchange Traded Series units to:

- (i) relieve the Funds from the requirement to prepare and file a long form prospectus for the Exchange Traded Series units in accordance with National Instrument 41-101 *General Prospectus Requirements* in the form prescribed by Form 41-101F2 *Information Required in an Investment Fund Prospectus*, subject to the terms of the relief, provided that the Funds file a prospectus for the Exchange Traded Series units in accordance with the provisions of National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (“NI 81-101”), other than the requirements pertaining to the filing of a fund facts document;
- (ii) relieve the Funds from the requirement that a prospectus offering Exchange Traded Series units contain a certificate of the underwriters;
- (iii) relieve a person or company purchasing Exchange Traded Series units of a Fund in the normal course through the facilities of the TSX or another exchange from the take-over bid requirements of Canadian securities legislation;
- (iv) permit each Fund that offers Exchange Traded Series units to borrow cash from the custodian of the Fund (the “Custodian”) and, if required by the Custodian, to provide a security interest over any of its portfolio assets as a temporary measure to fund the portion of any distribution payable to unitholders that represents, in the aggregate, amounts that are owing to, but not yet been received by, the Fund; and
- (v) treat the Exchange Traded Series and the Mutual Fund Series of a Fund as if such series were two separate funds in connection with their compliance with the provisions of Parts 9, 10 and 14 of NI 81-102.

The Funds have also obtained relief from applicable securities laws in connection with the Fee Alignment Program to:

- (i) permit each Fund to deviate from certain requirements in Form 81-101F3 *Contents of Fund Facts Document* in order to consolidate information about certain Mutual Fund Series into a multiple fund facts document; and
- (ii) permit dealers to deviate from the requirements of NI 81-101 that require a dealer to deliver or send the most recently-filed fund facts document in respect of purchases of certain Mutual Fund Series units that are made pursuant to the Fee Alignment Program.

### ***Registration and transfer of Exchange Traded Series units through CDS***

Registration of interests in, and transfers of, Exchange Traded Series units will be made only through the book-entry only system of CDS. Exchange Traded Series units must be purchased, transferred and surrendered for exchange or redemption only through a CDS Participant. All rights of an owner of Exchange Traded Series units must be exercised through, and all payments or other

property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such units. Upon purchase of any Exchange Traded Series units, the owner will receive only the customary confirmation. All distributions and redemption proceeds in respect of Exchange Traded Series units will be made or paid initially to CDS, which payments will be forwarded by CDS to the CDS Participants and, thereafter, by such CDS Participants to the applicable unitholders. References in this simplified prospectus to a holder of Exchange Traded Series units means, unless the context otherwise requires, the owner of the beneficial interest in such Exchange Traded Series units.

Neither the Funds nor the Manager will have any liability for: (i) any aspect of the records maintained by CDS relating to the beneficial interests in the Exchange Traded Series units or the book-entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS, whether contained in this simplified prospectus or otherwise, or made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

The rules governing CDS provide that it acts as the agent and depository for the CDS Participants. As a result, CDS Participants must look solely to CDS and persons, other than CDS Participants, having an interest in the Exchange Traded Series units must look solely to CDS Participants for payment made by the Funds to CDS.

The ability of a beneficial owner of Exchange Traded Series units to pledge such units or otherwise take action with respect to such owner's interest in such units (other than through a CDS Participant) may be limited due to the lack of a physical certificate. The Funds have the option to terminate registration of Exchange Traded Series units through the book-entry only system, in which case certificates for Exchange Traded Series units in fully registered form will be issued to beneficial owners of such units or to their nominees.

## **PIMCO Funds**

### **Simplified Prospectus**

PIMCO Canadian Total Return Bond Fund

PIMCO Monthly Income Fund (Canada)

PIMCO Flexible Global Bond Fund (Canada)

PIMCO Unconstrained Bond Fund (Canada)

PIMCO Investment Grade Credit Fund (Canada)

PIMCO Global Short Maturity Fund (Canada)

PIMCO Low Duration Monthly Income Fund (Canada)

PIMCO Managed Conservative Bond Pool

PIMCO Managed Core Bond Pool

You can find additional information about each Fund in its annual information form, its fund facts, its ETF facts, as applicable, its most recently filed annual and interim financial statements and its most recently filed annual and interim management reports of fund performance. These documents are incorporated by reference into this simplified prospectus. That means they legally form part of this document just as if they were printed in it.

You can get a copy of the Funds' annual information form, fund facts, ETF facts, financial statements and management reports of fund performance at no charge, by calling toll-free 1-877-506-8126 (416-506-8187 in Toronto) or by asking your dealer. These documents and other information about the Funds, such as information circulars and material contracts, are also available on PIMCO Canada's website at [www.pimco.ca](http://www.pimco.ca) or at [www.sedar.com](http://www.sedar.com).

Unless otherwise indicated herein, information about the Funds which may otherwise be obtained on PIMCO Canada's website is not, and shall not be deemed to be, incorporated by reference in this simplified prospectus.

PIMCO Canada Corp.  
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